# Economy & Jobs Adv

## US Economy

### Hurts Jobs

#### Turn - trade with Mexico hurts US jobs – on balance, job gains from exports are outweighed by lost manufacturing jobs

Scott 11  
Robert E. Scott, Director of Trade and Manufacturing Policy Research at the Economic Policy Institute, “Heading South: U.S.-Mexico trade and job displacement after NAFTA, “ May 3, 2011, <http://www.epi.org/publication/heading_south_u-s-mexico_trade_and_job_displacement_after_nafta1/>

The United States had a small $1.6 billion trade surplus with Mexico in 1993, the year before NAFTA took effect. By 1997, the United States had developed a $16.6 billion trade deficit with Mexico, which increased to $97.2 billion in ¶ 2010, as shown in Table 1. Between 1997 and 2010, the U.S. trade deficit with Mexico increased $6.2 billion per year, ¶ or 14.6% per year. ¶ This paper estimates the impact of that change in trade on employment by calculating the labor content of changes ¶ in the trade balance—the difference between exports and imports. For example, each $1 billion in U.S. auto parts ¶ exported to Mexico supports U.S. jobs, but each $1 billion in autos and trucks imported from Mexico displaces the ¶ workers who would have been making them in the United States. On balance, the net employment effect of trade flows ¶ is determined by changes in the trade balance. Growing trade deficits usually result in job displacement. The employment impacts of trade deficits are assessed using an input-output model that estimates the direct and ¶ indirect labor requirements of producing output in a given domestic industry. The model includes 202 U.S. industries, ¶ 84 of which are in the manufacturing sector.9¶ The model estimates the amount of labor (number of jobs) required to ¶ produce a given volume of exports and the labor displaced when a given volume of imports is substituted for domestic ¶ output. The net of these two numbers is the estimated number of jobs displaced by changes in the trade balance, holding ¶ all else equal. U.S. exports to Mexico in 2010 supported 791,900 jobs, but U.S. imports displaced production that would have ¶ supported 1,474,800 jobs, as shown in the bottom half of Table 1. Therefore, the $97.2 billion U.S. trade deficit with ¶ Mexico in 2010 displaced 682,900 jobs.10 Since the United States had a small trade surplus in 1993 (not shown), all of ¶ those jobs were displaced between 1993 and 2010.11 On average, 40,200 jobs have been lost or displaced per year since ¶ NAFTA took effect.12 U.S. jobs displaced by the trade deficit with Mexico are a net drain on employment in trade-related industries, ¶ especially those in the manufacturing sector. Even if increased demand in other sectors absorbs all the workers displaced ¶ by trade (an unlikely event), job quality is likely to suffer, as many non-trade-related industries, such as retail and home ¶ health care, pay lower wages and have less comprehensive benefits than trade-related industries.

#### Accelerating US-Mexico trade empirically causes American job losses, not gains.

Strachan 2011   
Maxwell Strachan Business Editor, The Huffington Post “U.S. Economy Lost Nearly 700,000 Jobs Because Of NAFTA, EPI Says” http://www.huffingtonpost.com/2011/05/12/nafta-job-loss-trade-deficit-epi\_n\_859983.html

The historic agreement, signed just three years after the collapse of the Soviet Union, tore down trade barriers between the U.S., Canada and Mexico, making trade and investment easier for businesses without allowing for the cross-border movement of labor. Despite the agreement being considered a boon for Mexico, the country's economy grew only 1.6 percent per capita on average between 1992 and 2007, The New York Times reported in 2009. The EPI's calculation of 682,900 jobs lost to NAFTA takes into account jobs created as a result, too. Last year, for example, U.S. exports to Mexico supported 791,900 jobs. It's just that those jobs created pale in comparison to the 1.47 million U.S. jobs that would be necessary without the imports resulting from NAFTA, the report found.

#### Cross-border trade causes job losses across the US – particularly in manufacturing.

Strachan 2011   
Maxwell Strachan Business Editor, The Huffington Post “U.S. Economy Lost Nearly 700,000 Jobs Because Of NAFTA, EPI Says” http://www.huffingtonpost.com/2011/05/12/nafta-job-loss-trade-deficit-epi\_n\_859983.html

Perhaps the most drastic switch post-NAFTA has been in the two country's trade deficit. In 1993, before the signing of NAFTA, the U.S. held a $1.6 billion trade surplus over their neighbor to the south, which supported 29,400 jobs. By 1997, the tides had turned, and Mexico laid claim to a much larger surplus of $16.6 billion. As of 2010, it's not even close. Mexico's trade surplus now hovers around $97.2 billion. Jobs continue to be lost to NAFTA today. In the years 2007-2010, the U.S. economy has lost 116,400 as a result of the trade deficit created by NAFTA. And last year, the growth of Mexican auto exports to the United States alone created more Mexican jobs -- 30,400 -- than the entire U.S. auto industry. It's the U.S. manufacturing sector that has suffered most mightily from NAFTA, alone accounting for 60.8 percent -- 415,000 total -- of the jobs lost to the agreement. Specifically, those making computer of electronic parts have accounted for 22 percent of all job losses, and motor vehicle and parts workers accounted for 15 percent of job losses. Job losses haven't been limited to certain geographic regions, either, as all fifty states have lost jobs as a result. And while the states with the largest total number of job losses, California and Texas, do hug the southern border, it's actually manufacturing-heavy states to the north, such as Michigan, Indiana and Kentucky, that have lost the largest share of jobs to Mexico.

#### Trade with Mexico is devastating to domestic job growth. The historical data of NAFTA proves this – more than a million jobs have been lost since the treaty’s implementation.

Public Citizen 2011   
Public Citizen is a nonprofit organization that does not participate in partisan political activities or endorse any candidates for elected office Public Citizen serves as the people’s voice in the nation’s capital. Since our founding in 1971, we have delved into an array of areas, but our work on each issue shares an overarching goal: To ensure that all citizens are represented in the halls of power. NAFTA’s Broken Promises 1994-2013: Outcomes of the North American Free Trade Agreement <http://www.citizen.org/documents/NAFTAs-Broken-Promises-2011.pdf>

13 Services and manufacturing export growth slows under NAFTA. A key claim of supporters of NAFTA-style trade pacts is that they create jobs by promoting faster U.S. export growth. By contrast, growth of U.S. exports to countries that are not Free Trade Agreement (FTA) partners has exceeded U.S. export growth to countries that are FTA partners by 38 percent over the last decade.14 Manufacturing and services exports in particular grew slower after NAFTA took effect. Since NAFTA’s enactment, U.S. manufacturing exports to Canada and Mexico have grown at less than half the rate seen in the years before NAFTA.15 Even growth in services exports, which were supposed to do especially well under the trade pact given a presumed U.S. comparative advantage in services, dropped precipitously after NAFTA’s implementation. During NAFTA’s first decade, the average growth rate in U.S. services exports fell by 58 percent compared to the decade before NAFTA, and has remained well below the preNAFTA rate through the present. 16 One million American jobs lost to NAFTA. The Economic Policy Institute estimates that the rising trade deficit with Mexico and Canada since NAFTA went into effect eliminated about one million net jobs in the United States by 2004.17 EPI further calculates that the ballooning trade deficit with Mexico alone destroyed about seven hundred thousand net U.S. jobs between NAFTA’s implementation and 2010.18 Moreover, official government data reveals that nearly five million U.S. manufacturing jobs have been lost overall since NAFTA took effect. 19 Obviously, not all of these lost U.S. manufacturing jobs – one out of every four of our manufacturing jobs – is due to NAFTA. The United States entered the World Trade Organization (WTO) in 1995, China joined WTO in 2000 and the U.S. trade deficit with China soared thereafter. However, at the same time, given the methodology employed, it is also likely that the EPI estimates do not capture the full U.S. job loss associated with NAFTA. Service sector jobs have also been negatively impacted by NAFTA, as closed factories no longer demand services. EPI estimates that one third of the jobs lost due to the rising trade deficit under NAFTA were in non-manufacturing sectors of the economy.

### No Room for Growth

#### No Solvency - there’s no room for major growth in exports to Mexico – they’re already maxed out and competition from Europe and China

Piccone 2012   
Ted Piccone, senior fellow and deputy director for foreign policy at the Brookings Institution “What Would a Romney Victory Mean for Trade With the Region?”

By Roger Noriega, Ted Piccone, Andrés Rozental, Stephen Johnson, Michael Allion

October 25, 2012 Inter-American Dialogue's Latin America Advisor. http://www.thedialogue.org/page.cfm?pageID=32&pubID=3117

A: Ted Piccone, senior fellow and deputy director for foreign policy at the Brookings Institution: "Mitt Romney's claim that Latin America is 'a huge opportunity' for the United States in terms of trade and investment sounds good but is exaggerated. In general, the 32 countries of the hemisphere are growing at an above average rate, due largely to Asia's growing demand for its natural resources. The United States generally has fared well in trade and investment terms, with exports doubling since 2000 under a web of free-trade agreements promoted by both parties. Getting Congress to approve trade pacts with Colombia and Panama in 2011 was a major breakthrough. But it's hard to imagine that Latin America will suddenly become the engine for U.S. exports. We already export more to the region than to Europe; and twice as much to Mexico as to China. On the downside, our share of the region's market has declined significantly in the last decade, with China and Europe stepping in with cheap goods and favorable terms. So while both candidates, not surprisingly, call for expanded trade with the region, neither has a clear diplomatic or political roadmap for achieving it. Ever since Brazil torpedoed Bill Clinton's vision of a Free Trade Area of the Americas, the United States has pursued a series of smaller agreements that, while helpful, leave wide swaths of the region's growing markets (mainly Brazil) up for grabs. So the trade agenda with Latin America, because it plays to both candidates' arguments about reviving the economy, does at least get a nod. Otherwise, except for the obligatory teeth-baring toward Hugo Chávez and the Castro brothers, the region is simply ignored. That's because the big issues on the agenda between the United States and the region-drugs, guns and crime; migration; and Cuba-all touch on hotwired domestic political issues that leave little room for winning votes."

### Cross Border Trade Not Key to US

#### **The value of trade between the US and Mexico is small, the aff’s stats are inflated, maquiladora border transactions are not vital to the economy.**

Baker 2013   
George Baker is Managing Principal of Baker & Associates, Energy Consultants (BAEC), founded in 1990 and now based in Houston. He is publisher of Mexico Energy Intelligence® (MEI) Letter to the Editor, NYT 2/14/13 http://www.energia.com/letter-to-the-editor-nyt-thomas-friedmanhow-mexico-got-back-in-the-game/

The “game” to which Mr. Friedman refers is statistical legerdemain. This is a game that Mexico plays adroitly, especially since 1991 when the government added “border transactions,” which referred to maquiladora assembly operations, to the national accounts. The move was to inflate Mexico’s status as a trading partner with the U.S. in order to promote NAFTA. Take out intra-firm transactions in which Chrysler-Mexico sells to Chrysler-China, and daily trade will shrink to the value of commerce in oil and food products, services (including oilfield services), plus the remnants of a tourism industry battered by violence. Meanwhile, Carlos Slim skims off the top of the Mexican economy monopolistic rent whose value has been estimated by Mexican economists at 3 percent of Mexico’s GDP. As for the “massive cheap natural gas finds,” the reference is to the 400+ TCF of shale gas, which will doubtless still be there a generation from now, as Pemex has no plans to develop shale fields. The new government, meanwhile, is almost certain to limit its reforms to making Pemex more efficient by any means except that of market competition. Celebrations about Mexico’s advances in its economy and governance are premature.

### A2 Economy – Plan no Solve

#### Cross-border trade is bad for the Mexican economy because it destroys industrial diversification, keeps wages low and hollows out the middle class.

Diederich 2013  
Phillippe Diederich is a freelance writer, photographer & educator. His work has appeared in the NYT, Time magazine, US News, and he has won numerous awards for his photography & writing. Born in the Dominican Republic & raised in Mexico City and Miami. “Is Mexico’s economic boom trickling down to all Mexicans?” 3/25/13 <http://www.voxxi.com/mexico-economic-boom-all-mexicans/>

Mexico’s economic boom not felt by all Recently, Thomas Friedman of the New York Times focused one of his editorials on the economy in Monterrey. He glossed over the facts and told us Mexico will be the dominant economic power of the 21st century, and quotes the Financial Times as saying Mexico has signed more free trade agreements than China or Brazil. The problem is that NAFTA, or the North American Free Trade Agreement, (and probably all free trade agreements) has hurt more than helped the average Mexican. These agreements are a treasure for multinational corporations who reap enormous profits. And while they do create low paying jobs, they also destroy small business, the backbone and muscle of the economy that directly affects the average Mexican . Manufacturing jobs create a new poor class in Mexico - Manufacturing along the border in what are nicknamed maquiladoras , was supposed to be the saving grace of Mexico in the 1980′s but none of it trickled down or even sideways for most Mexicans except for the few who secured jobs in these manufacturing plants. But decades later, many of these manufacturing workers remain in the same place, with the same or similar jobs and with little possibility of change. Never mind that wages in these factories have not kept up with inflation. What manufacturing does is it turn places into mini-boom towns with people flocking to those areas searching for jobs that are already taken. While a class of workers moves up just slightly, another poor class is created, as it happened in towns like Juarez and Nuevo Laredo back in the 80′s and 90′s. And yet in Toluca and Puebla, where automobile and automobile parts manufacturing has been on the rise since the 1990′s, the changes have been more positive. The automobile industry offers some possibility of upward mobility because of the more complex nature of building a car compared to say, clothing or electronic manufacturing.As the Mexican government moves to take advantage of the good economic times, it is imperative that it diversify and honestly spread the wealth among the people of the country, (not ignoring poor southern states like Guerrero, Oaxaca and Chiapas). Tourism and manufacturing have always been a boon for the economy of the country, but it is through industrial diversity and infrastructure that the government can help bring jobs and growth to the far corners of the country so all Mexicans can participate and enjoy the rewards of a strong economy.

#### Increased trade with the US does not help Mexico because it only benefits multinational corporations. This disadvantages small and medium businesses which locks in structural economic failures.

Johnson 2012   
Tim Johnson | McClatchy Newspapers “As China’s wages climb, Mexico stands to win new manufacturing business” 9/10/2012

<http://www.mcclatchydc.com/2012/09/10/167930/as-chinas-wages-climb-mexico-stands.html#storylink=cpy>

Yet to be seen, though, is whether Mexico can follow China’s path and leverage its low-wage status into sustainable fast growth. To do so, it needs policies to foster small and medium businesses and move them into higher-end production, and to draw workers into the formal economy and push them up the economic ladder. Some analysts have doubts. “I would be quite cautious about talking of any Mexican euphoria over the return of these industries,” said Enrique Dussel Peters, coordinator of the China-Mexico Study Center at the National Autonomous University of Mexico. Unlike in China, where the Communist Party identifies “pillar industries” and orders banks to shovel loans their way, Dussel Peters said, Mexicans who are eager to start or grow businesses even in strategic sectors can’t get cash easily. “Smaller businesses in Mexico don’t have access to financing, and those that have it get it at a very high cost,” Dussel Peters said. Even with the North American Free Trade Agreement, the sweeping 1994 accord that ties Canada, the United States and Mexico together in the world’s biggest trade bloc, Mexico suffers from an “enclave economy,” of which the vast gated industrial parks along the U.S.-Mexico border are the most visible sign. Goods are assembled there for export, but rarely from parts manufactured in Mexico. That means the country’s economy doesn’t benefit as deeply as it might from its low-wage status. “It doesn’t make sense for Mexico in the long run to just sort of give up the production capacity by fiat to foreign suppliers,” said Frank Lange, the vice president of global development at Menlo Worldwide Logistics, a San Mateo, Calif., company that helps clients tighten controls of supply chains. That, however, is an issue for Mexican politicians and businesses debating how best to develop their country’s economy. For multinational companies that are looking to keep a lid on costs, it’s of little concern.

## Mexican Economy

### Maquiladoras Turn

#### Turn – Maquiladoras:

#### A. Expanded border crossings cause Maquiladora revival

Paley 2013   
Dawn Paley is a journalist from Vancouver, BC (Coast Salish territories). She’s written for magazines and newspapers including the The Guardian, Vancouver Sun, The Globe and Mail, BC Business Magazine, and The Nation. In 2010, Dawn completed her Masters in Journalism at the University of British Columbia. “A Rough Guide to Obama’s Mexico Visit” Americas Program of the Center for International Policy 5/2/13 <http://www.cipamericas.org/archives/9449?utm_source=feedly>

There’s a demand from the corporate sector to build new border crossings and expand existing ones between Mexico and the US. “Financially, investment in border crossings and infrastructure has not matched the exponential increase in trade crossing the border each year,” reads a December memo from the Council on Foreign Relations. This border infrastructure is necessary for the maquila (assembly) industry in Mexico to expand, and the US requires Mexico’s cooperation on these crossings, the construction of which amount to huge subsidies for the US and other corporations with operations along the US/Mexico border.

#### B. Maquiladoras hurt the Mexican economy – cause wage stagnation and concentration of wealth

Diederich 2012  
Phillippe Diederich is a freelance writer, photographer & educator. His work has appeared in the NYT, Time magazine, US News, and he has won numerous awards for his photography & writing. Born in the Dominican Republic & raised in Mexico City and Miami. “Do not be fooled by the ‘Maquiladora Economy’” July 17, 2012 http://www.voxxi.com/do-not-be-fooled-by-maquiladora-economy/#ixzz2UeLxV0Wh

Maquiladora is a Mexican word. It’s the nickname that was given to the manufacturing plants along the US-Mexico border, which sprouted up after the Brasero program ended in the sixties and the Mexican government began the Border Industrialization Program. It comes from the word, maquila, the quota millers charged for milling other people’s grain. Today, there are thousands of maquiladoras in just about every country in Latin America and Asia.¶ Countries with favorable conditions for maquiladoras must have all of the above: high poverty, high national debt, corrupt governments (dictatorships friendly to the U.S are a favorite) weak union organizations and financial incentives so foreign businesses can import their raw materials and export their finished product without having to pay fees to the host country. Maquiladoras, or assembly plants must be within a duty-free zone, and items must be tax and tariff free.¶ Yep, if your country’s got that, you can bet your sweet pesos the maquilas will come knocking, if they’re not already there. But if wages rise, unions organize, or the government changes its tax-free policy for maquilas, watch out! You could lose your maquilas to a more convenient country, one that is poorer and has even worse wages than yours.¶ That’s exactly what happened in Guatemala when workers got fed up with a Korean manufacturing plant. The Koreans shut down operations there, and are moving their maquiladora to Haiti where poorer more desperate people are willing to put up with their miserable wages and working conditions. And guess what, in this particular case the land is a gift courtesy of the willing Haitian government. The new port and buildings for the new manufacturing giant comes courtesy of the U.S. government. Which really means you, the tax payer. The poor people of the world thank you.¶ The problem with maquiladoras is that they create stagnant economies. Workers who assemble items for export cannot improve their lot because wage increases and upward mobility are virtually non-existent. In the world of maquilas, it’s as if the Soviets had won the cold war, only it’s capitalist corporations that are the culprits of such Dickensian misery.¶ But there’s an even greater problem with ‘Maquiladora Economics.’ Maquilas only benefit the corporations the their rich stockholders. The poor who manage to find work at a maquila are only taking one step out of one type of poverty and into another. It is an inert economy for those who work there. And all this is done so that we in the U.S.A. can satisfy our hunger for cheap name-brand shoes, multiple TVs in a single house, and fourteen-dollar shorts from Old Navy and Walmart, or even 300-dollar tennis shoes at Sacks.¶ Meanwhile, the workers at the Maquila cannot afford to go to the GAP in Mexico City and buy a t-shirt. But as these conditions and methods of manufacturing go full speed ahead, it’s also the U.S. middle class that is being crushed. The fact is the U.S. middle class cannot afford goods manufactured within our own economy. And the gap is getting wider.

### Uniqueness – Maquiladoras Down Now

#### Maquiladoras are decreasing in the status quo

Beck 2013

Dr. Allan Beck, Doctor of Management, University of Phoenix Prof. School of Business Strayer University, “Mexico Needs to Proactively Educate Maquiladora Workers” Research in Applied Economics ISSN 1948-5433 2013, Vol. 5, No. 1

Many maquiladora jobs have disappeared since 2000, and it may be time to work toward developing a new strategy, as the low-cost and low-wage model is not always competitive when compared with other producing areas of the world. The highest concentration of lost jobs in maquiladoras was from 2000 to 2003, and there has been slow growth since, but manufacturing jobs are still at a lower level than the peak. A large segment of the population continues to suffer as a result of the negative growth in manufacturing (Mendoza, 2010). Infrastructure deficiencies like a poor educational system, and other factors like globalization and financial downturns have left the traditional low-cost maquiladora model outdated and uncompetitive (Hadjimarcou, Brouthers, McNicol & Michie, 2013).

Mexico needs to establish a long-term strategy that will allow it to compete for high technology work because Mexico will need to lower costs by automating and performing tasks considered high-tech and advanced compared to the original maquiladora model. An increased effort on the part of the Mexican government to create policies that will enhance competitiveness and innovation in manufacturing (Carrillo, 2009). Mexico will need to emphasize and prioritize public education and find a way to provide additional university-level education to workers that only possess a high school education. Many Mexican workers only have the compulsory 9th grade education when entering the workforce and the only enhancement comes in the form of company sponsored training. The training is specific to a particular job or function and not in the realm of what education can produce.

### Creates Poverty in Mexico

#### Growth in cross-border manufacturing can’t solve the problems in the Mexican economy – it only perpetuates poverty.

Diederich 2013  
Phillippe Diederich is a freelance writer, photographer & educator. His work has appeared in the NYT, Time magazine, US News, and he has won numerous awards for his photography & writing. Born in the Dominican Republic & raised in Mexico City and Miami. “Is Mexico’s economic boom trickling down to all Mexicans?” 3/25/13 <http://www.voxxi.com/mexico-economic-boom-all-mexicans/>

By all accounts the Mexican economy is booming. Earlier this month Time Magazine said Mexico’s “GDP expanded almost 4 percent in 2011 and 2012. Investment is booming and the middle class is enlarging.” And now with President Enrique Pena Nieto working to break down some old barriers like overhauling public education and privatizing the government run oil giant Pemex , Mexicans are bracing for what might come next. And foreign corporations are salivating, ready to pounce as Mexico becomes the new China. All of this despite dire poverty, the disenfranchisement of the rural poor, and continued drug related crime that leaves at least a thousand dead per month. Corruption and impunity continue to plague the country. Is any of this economic good news trickling down to all Mexicans, including the urban poor in metropolitan areas like Mexico City, Monterrey and Guadalajara, and the millions of peasants who live in rural areas? Mexico has had economic booms before: In the 50′s and in the 70′s when oil reigned supreme. But little of the rewards reaped by the few ever trickled down to the poor. Booms, in fact, have hurt the poor in the long run because of the economic crashes that inevitably follow these economic booms. When austerity measures and cutbacks in social programs are implemented to deal with difficult times, it is the poor who suffer the most. There is no doubt that steady growth is a good thing for Mexico, but unfortunately, much of the focus of the economic boom is based on manufacturing. While Mexico’s largest exports are beer, flat screen televisions, and cars, there is little room for advancement for the average worker in these industries.

### Maq Impact – Kills Mexican Middle Class

#### **Kills Mexican middle class – hurts Mexican AND US economies**

Johnson 2012   
Tim Johnson, McClatchy Newspapers “Mexico's 'maquiladora' labor system keeps workers in poverty” 6/27/2012 http://www.mcclatchydc.com/2012/06/17/152220/mexicos-maquiladora-labor-system.html#storylink=cpy

Whether Mexico can progress in the decades ahead by leaving Perez and many of the 7 million or so other industrial and assembly workers like him behind is a crucial issue. Cheap labor keeps goods inexpensive in U.S. markets, but it also hinders the growth of a consuming class in Mexico.¶ “If these folks had money, they’d be buying things we make as well as stuff made in Mexico,” said Davis, the United Steelworkers representative.¶ “When you have a decent middle-class tax base, you can afford better services,” said Pete DeMay, a Mexico organizer for the United Auto Workers. “That’s not the case near a lot of these plants.”¶ The desperation of workers is apparent. Many of those who can’t find weekend jobs peddle trinkets from their homes or turn to more radical measures, such as crossing the Rio Grande to sell their blood plasma in Del Rio for $25 to $35 per visit.¶ “I donated for about two years. But then my heart rate started going up,” said Rogelio Villarreal, a 35-year-old who was sitting in a car outside the one-story offices of Talecris Plasma Resources in Del Rio.

### Alt causes – Mexican Economy

#### **Multiple alternative causes – faulty credit, informality, elite control, ineffective education, vulnerability to shocks**

Hanson 2012  
Gordon H. Hanson Professor Hanson holds the Pacific Economic Cooperation Chair in International Economic Relations at UC San Diego, research associate at the National Bureau of Economic Research Ph.D., Massachusetts Institute of Technology, 1992 (economics) “Understanding Mexico's Economic Underperformance” Regional Migration Study Group August 2012 http://www.migrationpolicy.org/pubs/rmsg-mexicounderperformance.pdf

Any discussion of growth and development in Mexico ends up resembling a Diego Rivera mural, overstuffed with historical characters that collide in repeated and unexpected ways. In effect, Mexico’s underperformance is overdetermined. The faulty provision of credit, persistence of informality, control of key input markets by elites, continued ineffectiveness of public education, and vulnerability to adverse external shocks each may have a role in explaining Mexico’s development trajectory over the past three decades. Still, the relative importance of these factors for the country’s growth record is unknown. The breadth and depth of reform in Mexico is astounding, yet the country does not have much to show for it. To improve its economic position, Mexico must decide how best to confront its disappointing growth record. Items worth placing on the country’s policy agenda include: • improving protections for creditors by giving creditors more scope to seize assets of borrowers in the event of default; • eliminating artificial incentives for workers to enter the informal sector by eliminating the implicit subsidization of workers in the informal sector by workers in the formal sector through Mexico’s dual system of social protection; • raising the incentive of youth to continue education, expanding opportunities for vocational and technical education, promoting continuing education among working adults, and encouraging collaboration with the country’s private sector in assessing and investing in the country’s human capital; • implementing anti-monopoly provisions in Mexican law to make telecommunications more competitive; • and reforming the energy sector to reduce electricity prices. Each of these items has been mentioned by other observers as deserving attention by the Mexican government, but none is easy to accomplish. Improving protections for creditors may be unpopular politically, as it would benefit a financial sector that is today primarily foreign owned. Eliminating subsidies for informal workers would require significant changes in Mexico’s health care system (e.g., providing universal coverage) and payroll tax structure. Any changes to the education system would require standing up to Mexico’s politically powerful teachers unions and to university students who tend to be vociferous opponents of reform to higher education. Previous governments have been unsuccessful in regulating Telmex, although the integration of cable, Internet, and mobile services is allowing new actors to emerge and may give the government greater bargaining power. Reforming the energy sector would likely require changes to Mexico’s constitution.

#### **The problems in the Mexican economy are too widespread and deep for the plan to solve.**

Aguila et al. 2010   
Emma Aguila Director, Center for Latin American Social Policy; Economist; Professor, Pardee RAND Graduate School Santa Monica Office Education Ph.D. in economics, University College London; M.Sc. in economics, University College London; B.A. in economics, Instituto Tecnológico Autónomo de México (ITAM) “United States and Mexico : ties that bind, issues that divide” RAND Corporation INVESTMENT IN PEOPLE AND IDEAS

The second part of this monograph describes Mexico’s economic and social climate, two of the most important catalysts of Mexican immigration to the United States. Although relatively stable (before the current economic downturn, whose effects remain to be seen), Mexico’s economic and social situation is in need of vast reform in many areas. Our examination of the factors yielding an increase in migration and the current state of the Mexican economy suggest that poverty in Mexico is still very widespread and that, while economic inequality has not grown since 1996, neither has it been reduced. Despite the intended benefits for Mexico with the establishment of NAFTA, which created the world’s largest free-trade area and several economic reforms of the 1990s, Mexico’s economic competition with other countries still remains relatively weak. The country lags behind most other developing countries in terms of competitiveness rankings; the World Bank and the World Economic Forum place Mexico in 44th and 52nd place respectively, competing with China, India, and Chile for foreign investment. Although President Calderón has passed legislation to reform the country’s weak judicial system and improve a generally excessive bureaucracy, these factors are generally thought to feed an underdeveloped competition culture. It has been estimated that regulatory burden alone costs Mexico at least 15 percent of its GDP. Fiscal policy in Mexico faces enormous challenges as well. Comparison with other OECD countries indicates that Mexico has one of the lowest tax-to-GDP ratios. Moreover, the government remains dependent on the revenue of PEMEX, Mexico’s state-owned oil monopoly. As much as 45 percent of federal government revenue stems from oil taxes, and, while Mexico is currently the sixth-largest oil producer in the world, production at the primary oil fields is projected to decline rapidly in the next decade. PEMEX has just begun to invest in the kind of R&D needed to compete in the global market, but many still believe that the failing oil reserves will further harm Mexico’s fiscal well-being. Finally, there is increasing evidence of widespread tax eva sion by Mexico’s large informal sector of workers, which is estimated to account for 20 percent of the profits generated in the country.

### A2 Econ – Mexico Key/Growth

#### Optimism about the Mexican economy is hype – structural problems preclude significant growth

Barba 2013   
“Mexico - Aztec Tiger On The Rise?” Alisa Barba Senior Editor Fronteras Desk, an award-winning journalist, producer, writer and editor with 25 years experience in both network and public broadcasting Monday, March 18, 2013 <http://www.fronterasdesk.org/news/2013/mar/18/mexico-aztec-tiger-rise/>

Many journalists and commentators have gotten on that compelling bandwagon: from The New York Times’ Thomas Friedman who recently claimed, “In India, people ask you about China, and, in China, people ask you about India: Which country will become the more dominant economic power in the 21st century? I now have the answer: Mexico." To Chris Anderson, former editor of Wired magazine and current CEO of 3D Robotics, singing the praises of manufacturing across the border in Tijuana in an op-ed titled, “The Tijuana Connection: A Template for Growth.” “The sense of possibility I felt when I first crossed from Hong Kong to Shenzhen in 1997 is what I now feel when I cross from San Diego to Tijuana. The trade routes of the 21st century don’t have to follow Marco Polo from West to East. Indeed, in the new manufacturing landscape, the routes don’t have to take you far at all.” Even the Washington Post has joined the chorus , saying the emerging Mexican middle class lives in a land where, “NAFTA dreams come true.” Wow. It’s a great story. The Mexican economy is booming, relatively speaking, with a growth rate exceeding 4 percent per year. As wages rise in China, “near-sourcing” becomes more attractive than “out-sourcing” and Mexico looks like a very compelling trade partner. A growing Mexican economy and middle-class could also help resolve another vexing problem — illegal immigration. Create jobs south of the Rio Grande, and the economic magnet in the U.S. loses power. But for anyone with experience in Mexico, it sounds too good to be true. And so there are also arguments penned in major newspapers and journals in the U.S. trying to put a damper on what seems naïve enthusiasm about Mexico’s imminent rise. The Miami Herald reports , for instance, on the fact that few people in Mexico seem to share Thomas Friedman’s optimism about their own country. A contributor to TIME magazine is skeptical as well, citing historical examples of how the “Mexican Miracles” has been over-hyped and wrong in the past.

#### Projections of explosive Mexican growth are wrong and empirically disproved – multiple structural factors preclude

Padgett 2013 Tim Padgett Time bureau chief for Miami & Latin America, reporting on the hemisphere from Tallahassee to Tierra del Fuego. He has chronicled Mexico’s democratization and drug war as well as the rise of Latin leaders like Lula and Hugo Chavez. “Mexico’s New Boom: Why the World Should Tone Down the Hype” March 08 Time Magazine <http://world.time.com/2013/03/08/mexicos-new-boom-why-the-world-should-tone-down-the-hype/#ixzz2UotXpNrg>

So as someone who has covered the country for almost 25 years, I tend to be wary when I see the blood-soaked headlines yielding all of a sudden to rose-colored banners hailing Mexico as “the Aztec Tiger” or “the New China.” Or when eminent columnists like the New York Times‘ Thomas Friedman rather hastily assert that Mexico will become a “more dominant economic power in the 21st century” than China. To his credit, Friedman points out that “crime syndicates, government corruption and weak rule of law hobble the nation.” But I worry about the emergence of an overweening boosterism that forgets what happened two decades ago—when belief in another Mexican miracle helped lead to one of the worst financial disasters in the country’s history.¶ This latest episode of It’s Always Sunny in Mexico evokes a familiar pattern. Because Mexico is attached to our southern border, it’s the only Latin American country that Washington and Wall Street feel they actually have to engage. Even so, they engage it grudgingly, and they get irritated when the media focus on its dysfunction—as was the case in the 1980s, Mexico’s Lost Decade of epic debt crisis. After Harvard-educated President Carlos Salinas de Gortari took office in 1988 and called for capitalist reforms that included a North American Free Trade Agreement, or NAFTA, word came down to us Mexico-based journalists from U.S. officials and business executives: All is transformed south of the border. Get with the program.¶ Salinas and his Armani-clad technocrats sold that bogus Mexican Miracle of overnight development remarkably well. So effectively, in fact, that few in the U.S. took notice when Mexico’s Potemkin façade, cracked by an indigenous uprising and a spate of political assassinations, started collapsing in 1994, culminating in a calamitous peso crash that required a $50 billion U.S. bailout. So forgive some of us if, almost 20 years later, we’re a bit reluctant to declare another fast-track Mexican Miracle and set aside our concerns about Mexico’s lingering dysfunction. Not just the mafia bloodletting, but the nagging failure to modernize a corrupt and incompetent judicial system. Not just the social inequality, which is still too vast, but the shameless business monopolies that exacerbate it by choking off competition and inflating prices.

### No Solve Mexican Economy

#### No Solvency - deep structural problems preclude solvency for the Mexican economy – trade and investment alone aren’t able to solve

Gonzalez 2013   
Aleyda González – Op-ed “The unjustified optimism over Mexico's economy” Entre Noticias Site is run by multi-awarded Mexican journalist Rubén Luengas website (www.rubenluengas.com), about News / Public Affairs from California, México and the World. 3/12/13 http://rubenluengas.com/index.php/english-posts/item/97-the-unjustified-optimism-over-mexicos-economy

Apart from the assumed agreement of political consensus, nothing has really changed in Mexico to ensure that today’s economy has the conditions for it to become a global power. Esquivel scrutinizes a series of elements that only lead to believe that Mexico’s economy is no different than what it was years ago. In fact he asserts that “a Mexican worker makes less today per hour of work than he did 30 years ago.” On a 12-year comparison against similar income level countries, Esquivel proves that Mexico’s GDP has remained the second lowest in Latin America for the past five years, only above Haiti. The GDP per equivalent adult in 2012 was exactly at the same point it was in 1978 ($14,000). Poverty levels have not changed significantly in the past decade, ranging from 53.1 percent (of the total population) in 1992 to 51.3 in 2010. As Esquivel points out, a change in perception may help attract new investments, but the reality is Mexico faces a deep structural problem that is not being addressed by the current political agreements. Therefore, “excessive optimism on the future evolution of the Mexican economy is clearly unjustified. Most likely, we can expect to continue in a mediocre path in both, the short and the medium terms"

### Not key to Global Economy

#### Mexico is not a global economic force – without addressing inequality and poverty trade can’t

Villagran 2013   
Lauren Villagran, Correspondent / April 24, 2013 “Is Mexico's economy more a fiesta or a siesta?” Christian Science Monitor http://www.csmonitor.com/World/Americas/2013/0424/Is-Mexico-s-economy-more-a-fiesta-or-a-siesta

There are two sides to the coin when comes to Mexico's future as a global economic force. The new government inherited an economy rebounding from the impact of the economic crisis, but how the administration approaches deep-rooted challenges like poverty and inequality will determine whether the current optimism gains momentum or peters out. Mexico’s potential remains enigmatic. There is no doubting the country’s macroeconomic successes, economists say. A stable currency over nearly 20 years, steady (if sometimes slow) economic growth; and fiscal discipline have combined to keep Mexico sailing in smooth waters. Mexico has signed a dozen trade pacts, which have opened it to the world. That’s the bird’s eye view. But zoom in and Mexico’s troubles come into focus. Despite a more open economy and a growing middle class, nearly half the population remains poor, living on as little as $80 per month or less. The widely industrialized north and central regions contrast with the poverty entrenched across much of the south. Nationwide, between 50 and 62 percent of workers toil in the informal economy, according to the World Bank – an uncharted area in which workers frequently don’t pay taxes and lack the safety nets of health insurance or employment contracts.

## Impacts

### AT: Econ Decline => War

#### No War – Studies Prove And Democracies Solve

Miller, 2K (Faculty of Administration, University of Ottawa, Interdisciplinary Science Reviews, Vol. 25, No. 4, pg.277)

The question may be formulated. Do wars spring from popular reaction to a sudden economic crisis that exacerbates poverty and growing disparities in wealth and incomes?  Perhaps one could argue, as some scholars do, that it is some dramatic event or sequence of such events leading to the exacerbation of poverty that, in turn, leads to this deplorable denouement.  This exogenous factor might act as a catalyst for a violent reaction on the part of the people or on the part of the political leadership who would then possibly be tempted to seek a diversion by finding or, if need be, fabricating an enemy and setting in train the process leading to war.  According to a study undertaken by Minxin Pei and Ariel Adesnik of the Carnegie Endowment for International Peace, there would not appear to be any merit in this hypothesis.  After studying ninety-three episodes of economic crisis in twenty-two countries in Latin America and Asia in the years since the Second World War they concluded that:  Much of the conventional wisdom about the political impact of economic crises may be wrong…The severity of economic crisis-as measured in terms of inflation and negative growth-bore no relationship to the collapse of regimes…(or, in democratic states, rarely) to an outbreak of violence.  In the cases of dictatorships and semi-democracies, the ruling elites responded to crisis by increasing repression (thereby using one form of violence to abort another).

#### Economic decline not cause war -- Empirically denied – recession.

Barnett, senior managing director of Enterra Solutions LLC, 8/25/200’9, <http://www.aprodex.com/the-new-rules--security-remains-stable-amid-financial-crisis-398-bl.aspx>

When the global financial crisis struck roughly a year ago, the blogosphere was ablaze with all sorts of scary predictions of, and commentary regarding, ensuing conflict and wars -- a rerun of the Great Depression leading to world war, as it were. Now, as global economic news brightens and recovery -- surprisingly led by China and emerging markets -- is the talk of the day, it's interesting to look back over the past year and realize how globalization's first truly worldwide recession has had virtually no impact whatsoever on the international security landscape. None of the more than three-dozen ongoing conflicts listed by GlobalSecurity.org can be clearly attributed to the global recession. Indeed, the last new entry (civil conflict between Hamas and Fatah in the Palestine) predates the economic crisis by a year, and three quarters of the chronic struggles began in the last century. Ditto for the 15 low-intensity conflicts listed by Wikipedia (where the latest entry is the Mexican "drug war" begun in 2006). Certainly, the Russia-Georgia conflict last August was specifically timed, but by most accounts the opening ceremony of the Beijing Olympics was the most important external trigger (followed by the U.S. presidential campaign) for that sudden spike in an almost two-decade long struggle between Georgia and its two breakaway regions. Looking over the various databases, then, we see a most familiar picture: the usual mix of civil conflicts, insurgencies, and liberation-themed terrorist movements. Besides the recent Russia-Georgia dust-up, the only two potential state-on-state wars (North v. South Korea, Israel v. Iran) are both tied to one side acquiring a nuclear weapon capacity -- a process wholly unrelated to global economic trends. And with the United States effectively tied down by its two ongoing major interventions (Iraq and Afghanistan-bleeding-into-Pakistan), our involvement elsewhere around the planet has been quite modest, both leading up to and following the onset of the economic crisis: e.g., the usual counter-drug efforts in Latin America, the usual military exercises with allies across Asia, mixing it up with pirates off Somalia's coast). Everywhere else we find serious instability we pretty much let it burn, occasionally pressing the Chinese -- unsuccessfully -- to do something. Our new Africa Command, for example, hasn't led us to anything beyond advising and training local forces. So, to sum up: \* No significant uptick in mass violence or unrest (remember the smattering of urban riots last year in places like Greece, Moldova and Latvia?); \* The usual frequency maintained in civil conflicts (in all the usual places); \* Not a single state-on-state war directly caused (and no great-power-on-great-power crises even triggered); \* No great improvement or disruption in great-power cooperation regarding the emergence of new nuclear powers (despite all that diplomacy); \* A modest scaling back of international policing efforts by the system's acknowledged Leviathan power (inevitable given the strain); and \* No serious efforts by any rising great power to challenge that Leviathan or supplant its role. (The worst things we can cite are Moscow's occasional deployments of strategic assets to the Western hemisphere and its weak efforts to outbid the United States on basing rights in Kyrgyzstan; but the best include China and India stepping up their aid and investments in Afghanistan and Iraq.) Sure, we've finally seen global defense spending surpass the previous world record set in the late 1980s, but even that's likely to wane given the stress on public budgets created by all this unprecedented "stimulus" spending. If anything, the friendly cooperation on such stimulus packaging was the most notable great-power dynamic caused by the crisis. Can we say that the world has suffered a distinct shift to political radicalism as a result of the economic crisis? Indeed, no. The world's major economies remain governed by center-left or center-right political factions that remain decidedly friendly to both markets and trade. In the short run, there were attempts across the board to insulate economies from immediate damage (in effect, as much protectionism as allowed under current trade rules), but there was no great slide into "trade wars." Instead, the World Trade Organization is functioning as it was designed to function, and regional efforts toward free-trade agreements have not slowed. Can we say Islamic radicalism was inflamed by the economic crisis? If it was, that shift was clearly overwhelmed by the Islamic world's growing disenchantment with the brutality displayed by violent extremist groups such as al-Qaida. And looking forward, austere economic times are just as likely to breed connecting evangelicalism as disconnecting fundamentalism. At the end of the day, the economic crisis did not prove to be sufficiently frightening to provoke major economies into establishing global regulatory schemes, even as it has sparked a spirited -- and much needed, as I argued last week -- discussion of the continuing viability of the U.S. dollar as the world's primary reserve currency. Naturally, plenty of experts and pundits have attached great significance to this debate, seeing in it the beginning of "economic warfare" and the like between "fading" America and "rising" China. And yet, in a world of globally integrated production chains and interconnected financial markets, such "diverging interests" hardly constitute signposts for wars up ahead. Frankly, I don't welcome a world in which America's fiscal profligacy goes undisciplined, so bring it on -- please! Add it all up and it's fair to say that this global financial crisis has proven the great resilience of America's post-World War II international liberal trade order.

#### Diversionary theory is wrong – there’s no empirical evidence and the theory is based on faulty assumptions

Foster and Keller 10  
(2010, Dennis, PhD in political science, Assistant Professor, Virginia Military Institute, and Jonathan, PhD in political science, Assistant Professor of Political Science, James Madison University, “Rallies and the “First Image” Leadership Psychology, Scapegoating Proclivity, and the Diversionary Use of Force,” Conflict Management and Peace Science 2010 27: 417, sage)

Despite its compelling logic, general empirical confirmation of the diversionary hypothesis remains elusive (Levy, 1989). Of the many efforts exploring this lack of support, perhaps the most significant are those which contest the assumption that armed diversion “works”. The mere employment of the strategy is fraught with considerable risks and is morally quite objectionable. Moreover, while the use of force sometimes prompts astounding gains in approval, numerous studies conclude that rallies are normally quite short-lived and are generated with little or no consistency (e.g. Lian and Oneal, 1993; Oneal and Bryan, 1995). Indeed, research by Colaresi (2007) contends that domestic audiences are likely to abstain from rallying if they suspect leaders’ decisions to be spurred by base political concerns rather than the defense of the national interest. In all, if these arguments are correct, one may conclude (as do Meernik and Waterman, 1996) that the ambivalence of diversionary findings is not simply a matter of insufficient analytical frameworks or intervening caveats; it is instead attributable to the weakness of the core theory, and the validity of the entire diversionary research paradigm is open to question.

### US Economy won’t collapse

#### The US economy won’t collapse – the government can handle it

Amadeo 13 (Amadeo, Kimberly. "U.S. Economy Collapse." – ‘Will the US Economy collapse?’ About.com US Economy. N.p., 12 Feb. 2013. Web. 05 July 2013. <http://useconomy.about.com/od/criticalssues/p/US-Economy-Collapse.htm>.Publisher of "Beyond the Great Recession: What Happened and How to Prosper"; President of WorldMoneyWatch.com; 20 years senior-level experience in economic analysis and business strategy working for major international corporations; M.S., Sloan School of Business, M.I.T. and M.S. Planning, Boston College)

The U.S. economy is so large and resilient, it is highly unlikely that even these events could create a collapse. Hyperinflation is easily tamed by the Federal Reserve's contractionary monetary tools. The FDIC insures banks, and the Treasury can print all the money needed to make sure depositors get their funds. Homeland Security can address the cyber-threat. If not, eventually the economy can always return to how it functioned before the Internet. The Strategic Oil Reserves can be released to offset an oil embargo. The U.S. military can respond to a terrorist attack, transportation stoppage, or rioting/civil war. In other words, most Federal government programs are designed to prevent just such an economic collapse.

### US Economy has never collapsed

#### **US has never had a real economic collapse – they define it wrong**

Amadeo 13 (Amadeo, Kimberly. "U.S. Economy Collapse." – ‘What is Economy Collapse?’ About.com US Economy. 12 Feb. 2013. <http://useconomy.about.com/od/criticalssues/p/US-Economy-Collapse.htm>.Publisher of "Beyond the Great Recession: What Happened and How to Prosper"; President of WorldMoneyWatch.com; 20 years senior-level experience in economic analysis and business strategy working for major international corporations; M.S., Sloan School of Business, M.I.T. and M.S. Planning, Boston College)

A U.S. economic collapse is when when the economy no longer functions to provide the daily necessities. Any of the following scenarios could create an economic collapse. First, if the U.S. dollar rapidly loses value it would create hyperinflation. Second, a bank run could force banks to close or even go out of business, cutting off lending and even cash withdrawals. Third, the internet could become paralyzed with a super-virus, preventing emails and online transactions. Fourth, interstate trucking stops, thanks to parallel terrorist attacks or a massive oil embargo, and grocery stores would run out of food. In the worst case, the U.S. economy collapses due to widespread violence, like the Watts riots in the 60s, the Arab Spring uprisings in Egypt, or even a civil war. There were two times in modern U.S. history when the economy was close to collapse -- The Great Depression of 1929 and the 2008 financial crisis. During the Great Depression, at least 25% of the labor force lost their jobs. There was no Social Security or unemployment benefits, so they depended on soup lines to survive. Many families lost their farms thanks to the Dust Bowl, and packed all their belongings into trucks and headed to California. There, they lived in tent cities called Hoovervilles. Many others lost their life savings in the 1929 stock market crash, some even committing suicide as a result. Others couldn't get their money out of banks that closed on Friday, and opened on Monday to offer only ten cents on the dollar. It took a decade before the economy started functioning again. The second time was recently, during the financial crisis. The U.S. was within weeks of economic collapse on September 17, 2008. That's the day that panicked investors withdrew a record $140 billion from money market accounts. This meant that banks were no longer lending to businesses, or each other, for even overnight loans. This short-term cash is what businesses rely on to fund day-to-day operations. If this panic had continued for even a week, trucks would stop rolling, grocery stores would run out of food, and businesses would shut down. For more, see September 2008 Run on Money Markets. In this case, quick thinking by Ben Bernanke, Chairman of the U.S. Federal Reserve, and then Treasury Secretary Hank Paulson supplied the cash to keep banks afloat and stem the panic. Bernanke was an expert on the Great Depression, and happened to know exactly how to stem a run on the banks. Another person in his role might not have understood the situation, or known what to do. Paulson was a Wall Street veteran, and recognized what was happening in time to do something about it. Most people don't realize how close the U.S. economy came to a real collapse -- or how vulnerable it is to another one.

### China Economy OW

#### China economy collapse would cause global recession

Gorrie 13 (Gorrie, James R. "Introduction." Introduction. The China Crisis: How China's Economic Collapse Will Lead to a Global Depression. Hoboken, New Jersey: John Wiley & Sons, 2013. 6. Print.political economist and leading financial journalist; writes on macroeconomic topics, investment strategies, and geopolitical events around the world. He has interviewed experts such as renowned economist James K. Galbraith, currency expert Craig R. Smith, and real estate master George Ross of the Trump Organization. His articles have appeared or been referenced on sites such as MSN Money, Seeking Alpha, and Yahoo! Business News. He has served as Editorial Director and Managing Editor for digital publishing firms and is also an award-winning screenwriter, filmmaker (The Indian), and novelist. James also ghostwrites for both famous and semi-famous personalities in America and abroad. Before writing professionally, James spent over eighteen years in the financial industry. He attended the University of California at Santa Barbara where he reached doctoral candidacy in international relations and comparative politics, with an area specialty in international political economy; he also holds a bachelor's degree in economics.; Business and Economic Genre; April 29, 2013)

As global economic conditions grow worse, the temptation and need for foreign adventurism will grow for China’s policy makers. It is no stretch of the imagination to say that the rhetorical foundations are being put in place on an almost daily basis. This includes not just China’s neighbors in the Asian-Pacific region, but the West in general and, specifically, the United States. Even as China’s greatest debtor—or perhaps on some level, because of its position as such—the United States is viewed as a main adversary in the political announcements of China’s communist leaders. How this will play out remains to be seen. Thus, a warning to the rest of the world regarding China’s coming collapse is a wise precaution, and more than that, it is an absolute necessity. This is because the consequences and effects of communist China’s descent into a twenty-first century catastrophe, rivaling or even surpassing those in its early history of the mid-twentieth century, will not be contained within China. The global recession in which the world finds itself will deepen considerably since the United States, and therefore, the world, now depends upon China’s financial liquidity and markets. As China pays the price for its grave mistakes and willful abuse of its economy, its people, and its natural environs, the entire world will feel its pain.

# Relations Adv

### Alt Cause - Spying

#### Spying kills relations.

Reuters 7/10/13 Mexican president says possible U.S. spying 'totally unacceptable '

July 10, 2013|Reuters http://articles.chicagotribune.com/2013-07-10/news/sns-rt-us-usa-security-snowden-mexico-20130710\_1\_mexico-city-media-report-foreign-ministry

Mexican President Enrique Pena Nieto said on Wednesday that if allegations were proven that the United States had spied on its southern neighbor, it would be "totally unacceptable." During a visit to northern Mexico, Pena Nieto was asked for his views on a media report that the U.S. National Agency had spied on countries including Mexico "We have asked quite clearly, via the foreign ministry ... for an explanation from the government ... about possible spying," he told reporters in the border state of Chihuahua. "And we want to know if this is the case, and if it so, it would obviously be totally unacceptable," he added, noting that relations with Washington remained cordial. Claims that the NSA monitored internet traffic, especially in Colombia, Venezuela, and Mexico, were made in a Brazilian newspaper citing documents leaked by Edward Snowden, a fugitive former NSA contractor. Earlier, Mexico's foreign ministry said it had asked Washington for an explanation about the report in the paper O Globo. Separately, the Mexican government responded to a media report alleging that the prior administration had signed a contract in 2007 allowing the United States to install a to monitor phone and internet communications in Mexico. "The General is reviewing the documentation regarding this apparent agreement. We are going to verify if it exists and under what conditions," said Eduardo Sanchez, a spokesman for the Interior Ministry. Emilio Gamboa, the Senate leader of Pena Nieto's Institutional Revolutionary Party, said the contract allegations needed to be thoroughly investigated. "Friendship is made by cooperation, not by spying on us," Gamboa told reporters in Mexico City.

### Alt Cause - Security

#### Economic relations not key – security is a pre requisite

Schaefer, 13 [Agnes Bereben is a senior political scientist at the nonprofit, nonpartisan RAND Corp., based in Santa Monica, Calif, If U.S.-Mexico Get Security Right, Other Good Policy Will Follow

<http://www.rand.org/blog/2013/05/if-us-mexico-get-security-right-other-good-policy.html>]

During their joint news conference, Obama and Mexican President Enrique Peña Nieto touted their work on economic cooperation and commercial integration. Likewise, Obama's speech to the Mexican people and a joint statement from the two presidents stressed economic ties and shared opportunities while only briefly mentioning such difficult security issues as drugs, guns and crime. Headlines suggested that the economy will become the driving force behind future U.S.-Mexico relations. Let's not get carried away. While security isn't the only topic confronting Washington and Mexico City, it's still likely to consume the lion's share of attention in this crucial relationship. After all, between Peña Nieto's inauguration in December 2012 and the end of April 2013, 5,296 people were killed in Mexico in drug-related violence — about 35 every day. That level of violence alone would keep security issues as a high priority for the United States and Mexico. Moreover, drug trafficking in Mexico continues to affect the U.S. Mexico is the largest supplier of heroin, marijuana and methamphetamines to the U.S., and Mexico is the shipment point for 95 percent of the cocaine brought into the U.S. So over the past six years, the U.S. has embarked on a strategic partnership with Mexico that has focused on drug-related violence. This partnership has meant closer U.S.-Mexican cooperation on several fronts, including an unprecedented transfer of U.S. equipment, U.S. training of Mexican security forces and U.S. access to Mexican security agencies. But while security will remain central to the U.S.-Mexico relationship, the two sides may well change how they handle it. The new Peña Nieto administration is re-evaluating Mexico's recent close cooperation on security. The new Mexican leader's overall security strategy is evolving, but he has embarked on some important reforms to defense institutions. Peña Nieto has called for a more centralized approach to security issues that would eliminate inefficiencies and redundancies across government agencies. He is also pushing to develop a new National Intelligence Agency — similar to the U.S. Office of the Director of National Intelligence set up after the 9/11 Commission to quarterback the U.S. intelligence community — that would streamline Mexico's intelligence collection and analysis, which is now conducted by many disparate agencies. The most important unanswered question is how involved Peña Nieto and his Institutional Revolutionary Party want the U.S. to be in future efforts to decrease drug-related violence. Some Mexican leaders and commentators are calling for the U.S. to back off, and some are explicitly asking to roll back the cooperative mechanisms of the past several years. As Peña Nieto refines his national security strategy, he will need to navigate these domestic pressures — and, ultimately, decide how much U.S. assistance he will consider, and in what form. Peña Nieto isn't the only one facing domestic pressures, of course. Obama could almost hear the heated debates in Congress on immigration reform and border security from Mexico City. So the two leaders emphasized economic cooperation at their summit not because security issues have gone away, but because the new rules of the game in this nascent relationship between Obama and Peña Nieto are evolving. Economic cooperation is of course also exceedingly important. The United States is still Mexico's largest trading partner. In 2011, U.S. trade with Mexico totaled $500 billion, and Mexico was the United States' second-largest goods export market in 2012. But let's not assume that economic issues will displace security issues at the top of the U.S-Mexico agenda. Because security issues are not going away,the two sides need to tackle them as best they can. The Obama and Peña Nieto administrations should build on the unprecedented levels of cooperation developed over the past six years — and if they get security right, they will be far better-positioned to broaden the relationship to focus on other issues such as economics, energy and the environment. If the two sides continue to invest together in security today, they may find themselves with far more opportunities for broader cooperation tomorrow.

#### Alternative causalities to relations collapse--rising tensions over the perceived militarization of the Mexican border is a thorn in the side of relations

**Fauset 13,** Richard Fausset covers Mexico and Central America for the Los Angeles Times(Richard, "In Mexico, U.S. border 'surge' proposal stirs outcry" 6/25/13, LA Times, http://articles.latimes.com/2013/jun/25/world/la-fg-mexico-border-anger-20130626)//AD

MEXICO CITY — The U.S. Senate's proposal to spend $46 billion to help secure the country's southern border may or may not persuade skeptical colleagues in the House to support broader immigration reform. But the proposal is generating some serious grumbling in Mexico. "We are 'friends and neighbors,' as is repeated ad nauseam," Fernando Belaunzaran, a congressman with Mexico's left-wing Democratic Revolution Party, tweeted this week, "but the U.S. is about to militarize the border with Mexico as if we were at war." "Neighbors don't do this to each other," Univision news anchor Jorge Ramos wrote in the newspaper Reforma. On a national radio show, Lorenzo Meyer, a respected columnist and academic, suggested that Mexico retaliate by kicking out CIA and Defense Department officials who are collaborating with the government in the fight against drug cartels. Or perhaps, Meyer mused, Mexico could get back at the U.S. by refusing to accept any more American retirees. The proposed spending spree at the border — which supporters have labeled a "surge," after the 2007 U.S. troop increase in Iraq — was included as an amendment to a broader immigration bill that appears almost certain to pass in the Senate this week. The additional spending would add nearly 20,000 Border Patrol officers, roughly doubling the current force. It would also fund the completion of 700 miles of border fencing and 24-hour surveillance flights by drones. The Senate voted 67 to 27 on Monday to end debate on the amendment. Supporters are hoping that a lopsided approval of the immigration reform bill in the Senate will build momentum for the proposal as it heads to the House of Representatives. In the lower chamber, some conservative lawmakers do not want to support the bill's provision of a "path to citizenship" for unauthorized immigrants, particularly because they fear it will encourage more people to sneak in. But supporters of the surge are hoping to convince skeptical House members that slipping across the border will become far more difficult. The plan's American critics include immigrant rights advocates, budget hawks and civil libertarians wary of the expanded surveillance capabilities the Border Patrol would be granted. In Mexico, most of the complaints have come from the left, whose leaders have reiterated the long-held opinion here that U.S. border policy, with its walls, fences and armed border agents, is an insult to their nation. A number of critics also have taken aim at the government of President Enrique Peña Nieto for not speaking out more forcefully. "The passivity and negligence of his government is incomprehensible; it's as if this had nothing to do with him, as if this was not going to seriously affect millions of Mexicans," Ramos, the TV anchor, wrote in his column Sunday. Peña Nieto's team has chosen to hang back from the immigration debate north of the border, apparently out of fear that any cheerleading for the cause could be construed by American conservatives as unwarranted meddling. Former Mexican President Vicente Fox's efforts to persuade Americans to accept immigration reform in 2001 led to a substantial backlash. Fox's former foreign secretary, Jorge Castañeda, who helped lobby for a change in immigration law in 2001, said the Mexican government needed to speak out about the plan. "Mexico can't say nothing in the face of a reform that includes doubling the number of Border Patrol agents," he said in a radio interview Monday. "It strikes me as shameful." On Tuesday, Foreign Secretary Jose Antonio Meade delivered a measured statement in which he reiterated the government's contention that U.S. immigration reform would help millions of Mexican migrants. But fences, Meade said, "are not the solution to the phenomenon of migration, and aren't consistent with a modern and secure border. They don't contribute to the development of the competitive region that both countries seek to promote." The apprehension of Mexicans at the U.S. border has been trending dramatically downward since fiscal 2000, when 1.6 million Mexicans were detained. In fiscal 2012, the number was 262,000. It's likely that fewer Mexicans have been trying to cross in light of the sputtering U.S. economy, stricter border control and fear of Mexican criminals who prey on migrants. U.S. government statistics show that the number of non-Mexicans apprehended at the border, most of whom were Central Americans, also declined from fiscal 2005 to 2011. But the number doubled from 2011 to 2012, to 94,000, probably a result of rising violence and instability in several Central American countries. Maria Garcia, the president of the Mexico City-based Aztlan Binational Migrants Movement, said that increased border enforcement would force migrants to find even more dangerous and remote places to cross the border, putting their lives at greater risk. She also doubted that a more heavily fortified border would do much to scare off migrants seeking better wages. "Hunger is too strong," she said. "They'll keep risking their lives." But Alfredo Rodriguez, a 59-year-old hardware store clerk, said he could live with the border plan if the U.S. gave Mexicans more legal avenues for employment, such as temporary work visas. In any case, he said, the Americans were within their rights to beef up their security. "If you invade someone's property," he said, "obviously, there are going to be consequences."

#### Can’t solve relations – counternarcotics disagreements have already destroyed the relationship

**Barry, 13** – Senior Policy Analyst and Americas Policy Program Fellow, Center for International Policy (Tom, “Changing Perspectives on U.S.-Mexico Relations,” North American Congress on Latin America, May 2, [https://nacla.org/news/2013/5/2/changing-perspectives-us-mexico-relations)//SY](https://nacla.org/news/2013/5/2/changing-perspectives-us-mexico-relations)/SY)

While the shape of the strategy remains unclear, dramatically reducing the pervasive and proactive military presence throughout much of Mexico has been an appropriate first step. The Mexican president has narrowed the window of U.S. involvement in intelligence, counternarcotics operations, and Mexican military affairs—a clear rebuff to the U.S. government. The Obama administration may be justifiably concerned about the ability of the new government to diminish the power and reach of criminal organizations built largely on drug-trafficking, yet President Obama should, in a gesture of solidarity and shared responsibility, acknowledge the systemic flaws in U.S. counternarcotics and anti-organized crime strategies. Pervasive patterns of human rights violations, impunity, and police and judicial corruption/reform should be top among U.S. concerns at the presidential meeting. At the same time, however, President Obama should acknowledge that the United States’ four-decade strategy of attempting to reduce the flow of illicit drugs has not only failed, but also led to a raft of adverse consequences.

#### No Solvency: improving cross-border trade isn’t sufficient – problems related to the drug trade will undermine cooperation

Walser 2013   
Ray Walser, Senior Policy Analyst specializing in Latin America at The Heritage Foundation “Obama in Mexico: Change the Reality, Not the Conversation” 5/1/13 <http://blog.heritage.org/2013/05/01/obama-in-mexico-change-the-reality-not-the-conversation/>

Of course there is much value in an opportunities-oriented approach to U.S.–Mexico relations. The two countries have unique ties based on patterns of trade, investment, integrated manufacturing, and the movement of peoples. Both nations should continue to deepen this relationship by focusing on everything from trade, global competitiveness, and modernizing and securing our shared 2,000-mile border in ways that advance economic freedom and improve educational quality and energy development. Yet addressing hard, seemingly intractable issues related to the illicit traffic in drugs, people, guns, and money moving with relative ease across the U.S.–Mexico border remains a major challenge for both leaders. The Obama Administration has done little to reduce drug demand in the U.S. Consumption of marijuana is on the rise among teens. There is legal confusion in Washington following passage of legalization measures in Colorado and Washington. Resource reductions for drug interdiction and treatment are built into the fiscal crisis. Prior objectives for drug prevention and treatment established by the Obama Administration have not been met, according to the Government Accountability Office. Meanwhile, cash and guns flow south largely unchecked into Mexico. Cooperation with Mexico may be scaled back or waning as U.S. officials are excluded from intelligence fusion centers the U.S. helped to set up. A new emphasis on citizen security may take the law enforcement heat of trafficking kingpins, who will likely attempt to move drugs across Mexico with less violence and greater efficiency as Mexican law enforcement focuses on the most violent criminal elements.

#### **The plan can’t solve US-Mexico relations, American drug war hypocrisy is poisonous and overwhelms economic ties.**

Walser 2013   
Ray Walser, a veteran Foreign Service officer, is a Senior Policy Analyst specializing in Latin America at The Heritage Foundation May 2, 2013 “President Obama, the Drug War, and Mexico: Failure Is an Option” http://blog.heritage.org/2013/05/02/president-obama-the-drug-war-and-mexico-failure-is-an-option/

In the past six years, more than 60,000 Mexicans have died violently in crime and drug-related deaths. In the U.S., there is a wider spectrum of issues related to the harm done by drug usage. They range from state-side violence among traffickers, gangbangers, and dealers to drug-influenced auto fatalities and increasing abuse of prescription drugs. Mortality statistics indicate that drug-related deaths now exceed auto fatalities in the U.S. Prescription drug abuse reportedly claims a life every 19 minutes in the U.S. and has reached epidemic proportions. The White House still retains the power to set the national agenda and frame the political conversation at home and abroad. In his last conversation relating to drug issues in December 2012, President Obama, when asked about the passage of marijuana legalization laws in Colorado and the state of Washington, responded that the federal government had “bigger fish to fry.” These state laws run contrary to federal law and U.S. treaty obligations. Then-president Felipe Calderon of Mexico angrily fired back, questioning U.S. “moral authority.” When interviewed by the American Quarterly about his Mexican trip, the President answered no questions about drug trafficking. In Mexico this week, Obama will talk trade, immigration reform, education, and dance diplomatically around the drug issue. Fresh friction has emerged between the U.S. and Mexico over rules for counter-drug intelligence collection and sharing. Mexico’s current president, Enrique Peña Nieto appears to be concentrating on more centralized control over drug collection and operations on Mexican territory. Concerned about citizen security, Peña Nieto hopes to reduce the harm done to ordinary Mexicans as drugs flow across his nation’s territory to U.S. consumers. At the back of his mind also is a recognition that he is dealing with the same Administration that launched Operation Fast and Furious, which let guns walk across the border, and that argues marijuana legalization in Colorado and Washington is no big deal.

#### Drug violence overshadows strong US-Mexico economic ties.

Roseman 2012   
Ethan Roseman, Research Associate at the Council on Hemispheric Affairs “Enhanced Reciprocity for the U.S.-Mexico Relationship?”

December 17, 2012 http://www.coha.org/enhanced-reciprocity-for-the-u-s-mexico-relationship/

Although the current trade relationship between the United States and Mexico is unparalleled, the drug-induced side south of the border always seems to overshadow such a rapport. Since 2006, Mexico has experienced upwards of 60,000 deaths, including at least 3,000 police officers and soldiers who confiscated over 114 tons of cocaine, 11,000 tons of marijuana, 75 tons of methamphetamines and close to 100,000 large and small-scale firearms. Given the structured control of 90 percent of the cocaine that enters the United States and an estimated annual income of 18 to 39 billion USD, it is the Mexican drug cartels that truly govern these political units and furthermore, utilize extortion, corruption and extreme violence in order to bring about current hostile stereotypes that the rest of the world associates with Mexico.[3]

### Relations Resilient

#### Interdependence means cooperation is inevitable – economic growth slays the case

Epatko, 12 [Larisa, PBS News Hour, U.S. and Mexico: Ties That Bind, <http://www.pbs.org/newshour/rundown/2012/06/us-mexico-ties.html>]

"There's probably no other country in the world that's as intertwined with the United States. Our economies are intertwined; [Mexico is now the second destination for U.S. exports and the third largest trading partner overall](http://www.ustr.gov/countries-regions/americas/mexico)," said [Shannon O'Neil](http://www.cfr.org/experts/brazil-mexico-argentina/shannon-k-oneil/b12553), fellow for Latin American studies at the Council on Foreign Relations.¶ The U.S. automotive, food, and computer and electronics industries depend on Mexican consumers, said O'Neil. "For 21 out of 50 states, Mexico is the No. 1 or No. 2 destination for their exports," she said. "And it's not just the states on the border that have huge trade with Mexico, but as far away as New Hampshire, Vermont, Michigan and Indiana."¶ Mexico also is a friendly source of oil, O'Neil noted. It's the United States' third largest supplier behind Canada and Saudi Arabia, according to the U.S. Energy Information Administration.¶ "So keeping our lights on and our cars going depend today much on Mexico," she said.¶ Since the two countries share a border, they also share the problems and responsibilities of regulating the environment, preventing drug trafficking and maintaining security.¶ Every president of Mexico has had a different take on U.S. relations, but all of the top contenders in the current race have indicated they will work with the United States, said O'Neil.¶ The economy in Mexico is recovering faster than the United States. Helping transform Mexico's economy is a [growing middle class](http://www.wilsoncenter.org/sites/default/files/Mexico%20A%20Middle%20Class%20Society.pdf)**,** she said. View a chart of GDP growth in both countries:¶ Source: [World Bank](http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG)¶ "Thirty-plus years ago, Mexico was a commodity-driven, oil-driven, inward-looking economy," said O'Neil. "Today it is a manufacturing and services-based economy, export-led with a focus on the U.S. market and that is fundamentally different than just a few decades ago."¶ Partly because of Mexico's economic growth, [immigration between the two countries has slowed to a net zero last year](http://www.pewhispanic.org/2012/04/23/net-migration-from-mexico-falls-to-zero-and-perhaps-less/).The slowdown also can be attributed to a demographic shift in Mexico in the last several years, O'Neil said. "There are fewer Mexicans turning 18 and looking for jobs than there were in the past. And more and more Mexicans are staying in school longer and investing in their future and investing in their skills. So they're not leaving the country. They're not thinking about going abroad at 15 or 16 anymore, they're staying in school."¶ Mexico is becoming an increasingly urban society as well, said O'Neil. "So the old days of a campesino (peasant) wearing a sombrero riding a burro -- it's a reality for a few Mexicans now, but very few. It's a more urban society. And that's a total transformation from back in the '50s or '60s."¶ Helping drive the current conditions is a transformed government. "There are still problems with corruption, accountability and transparency -- in particular at the state level," she said. "But it also is a democracy. They're about to have elections that almost everywhere in the world people think are going to be free and fair. And that's something new."

#### Relations are strong and resilient – their evidence is just media sensationalism

O’Neil, 9 – (Shannon K.“U.S.-Mexico relationship remains strong,” Marketplace, April 16, 2009, [http://www.marketplace.org/topics/world/us-mexico-relationship-remains-strong)//SMS](http://www.marketplace.org/topics/world/us-mexico-relationship-remains-strong)/SMS)

Kai Ryssdal: President Obama is meeting with his Mexican counterpart today in Mexico City. He and President Felipe Calderon will talk national security, the drug trade and the global economic crisis all in just a few short hours. Then they will both head out to Trinidad and Tobago for a Summit of the Americas conference later this week. The U.S.-Mexico relationship is long and it's complicated. Shannon O'Neil is the Douglas Dillon Fellow for Latin America Studies at the Council on Foreign Relations. Shannon, good to have you with us. Shannon O'Neil: Nice to be here. Ryssdal: Give us a sense, would you, of the state of the economic relationship between the United States and Mexico. O'Neil: The economic relationship with the U.S. and Mexico is really quite strong. Since NAFTA came into effect 15 years ago, trade between the two nations has tripled. And it's the most important trading relationship in many ways for both countries -- or particularly for states in the United States. So it's the third-largest trading partner for the United States and it's the second-largest destination of U.S. exports. So it's quite important. Ryssdal: And yet all we've been hearing in the lead up to this trip by the president is: drug violence, the prospect of Mexico as a failed state, how NAFTA really hasn't worked out for Mexico. How do you explain that difference? O'Neil: You know, U.S.-Mexico relations goes through its patterns. And as happens in many relationships, you focus on the complaints rather than the positives, at least in the discussion. So that's really what's happening here. We're focused on the violence -- which is really, and has increased in the last several months -- but in many ways, the real substance of the relationship and the positives fall by the wayside in those sound bytes.

#### No Impact – the US-Mexico partnership is too big to fail – areas of cooperation will always overwhelm differences

Rozental 2013   
Andrés Rozental, former deputy foreign minister of Mexico, works primarily on global governance issues, U.S.-Mexico relations and international migration. He served for many years in Mexico’s diplomatic corps. February 1, 2013 “Have Prospects for U.S.-Mexican Relations Improved?” Brookings Institute http://www.brookings.edu/research/opinions/2013/02/01-us-mexico-rozental

The Mexico-U.S. relationship won't substantially change; there are too many ongoing issues to expect any major shift in what has become a very close and cooperative bilateral partnership in economic, security and social aspects. There will be a change of emphasis from the Mexican side as far as the security relationship goes, with Peña Nieto's declared intention to focus much more on the economy and public safety. He has already moved away from the constant statements made by his predecessor extolling the number of criminals apprehended and 'successes' in the fight against organized crime. The change of message comes as a relief to many Mexicans tired of hearing about violence and crime on a daily basis.

#### Relations collapse is impossible – Mexico and the US are too interdependent, they have no choice but to get along

Hakim 2013  
Peter Hakim is president emeritus and senior fellow of the Inter-American Dialogue, a Washington-based policy organization tank on Western Hemisphere affairs. “Which Mexico for Obama?” 5/1/13 http://blogs.reuters.com/great-debate/2013/05/01/which-mexico-for-obama/

Crime and violence are likely to remain unrelenting challenges for Peña Nieto. They could even take central stage again. In fact, public security may not improve anytime soon — despite the new government’s multiple initiatives.¶ Peña Nieto’s predecessor, Felipe Calderón, learned how arduous a task it is to reform Mexico’s police and its justice system, and restore public confidence in them. Now, Peña Nieto is making clear his deep dissatisfaction with — and his intention to overhaul — Calderón U.S.-supported approach to security and drug issues. The expected changes will almost surely irritate many in Washington and may even become a new source of friction in the bilateral relationship.¶ But neither the United States nor Mexico is perfect. The two nations cannot look at each other only as sources of opportunity and gain; cooperation is needed to address risks and problems. Neither country has much of an option, however, because their economies and populations are so deeply integrated. There is no turning the clock back.¶ Mexico and the United State have to solve their problems together and find ways to generate and exploit new opportunities jointly. If they can do it, the payoff will be enormous.

#### US-Mexico relations are much more than trade and investment – these social connections ensure that economic ties will continue regardless of the plan.

Hakim & Litan 2002  
 Peter Hakim is president emeritus and senior fellow of the Inter-American Dialogue, a Washington-based policy organization tank on Western Hemisphere affairs. “; Robert E. Litan Senior Fellow in Economic Studies at the Brookings Institution. J.D. Yale, M. Phil. and Ph.D. in Economics Yale. Dr. Litan has served in several capacities in the federal government: As Associate Director of the Office of Management and Budget, Deputy Assistant Attorney General, Antitrust Division, Department of Justice; and Staff Economist, Council of Economic Advisers. Future of North American Integration. “Introduction” Brookings Institution Press, 2002. p 20.

Economic integration among the three countries already goes considerably beyond trade and investment. Mexicans continue to migrate in large numbers to the United States, principally in search of jobs and higher wages. Upwards of 21 million persons of Mexican origin now reside in the United States. Approximately 9 million of these were born in Mexico. They contribute in countless ways to the U.S. economy and society. Mexicans and Mexican Americans now send some $8 billion annually back to their communities. Although the numbers are still modest, a growing number of Mexicans are also finding their way to Canada. And tourism is expanding in all three countries, or at least it was before the September 11, 2001, terrorist attacks on the United States. The three countries are tied together in many noneconomic ways as well. Mexicans are changing language pat- terns, social norms, and culture throughout the United States. As Mexican migrants become residents and citizens, they are increasingly influencing local and national politics. The voting strength and preferences of Mexican Americans are shaping U.S. policy toward Mexico. At the same time, U.S. cultural phenomena are increasingly pervasive in both Mexico and Canada— through films, TV, music, tourists, and student and professional exchanges. Nongovernmental organizations of many types function easily across the borders of all three countries. The Future of North American Integration Unless the three governments decide to halt further integration, recent trends strongly suggest that the societies and economies of the United States, Canada, and Mexico are likely to draw closer together. In particular, cross-border trade, investment, and migration should all continue to increase.

### Alt Cause – Laundry List

#### Divides over gun control, immigration, drug policies, and crime cause splits between Mexico and the US--alt cause to relations collapse

**Hakim 13,** President emeritus and senior fellow of the Inter-American Dialogue He writes articles about foreign policy issues, many of which have appeared in Foreign Affairs, Foreign Policy, NYT, the Washington Post, Miami Herald, LA Times, etc. Former professor at MIT and Columbia. Member of the Council on Foreign Relations(Peter, "Which Mexico for Obama?" 5/1/13, Reuters, http://blogs.reuters.com/great-debate/2013/05/01/which-mexico-for-obama/)//AD

When President Barack Obama meets this week with President Enrique Peña Nieto in **Mexico**, he will be visiting a country that was much maligned throughout his first term. Washington has viewed Mexico largely as a source of problems for the United States in the past six years. Many Mexicans, in a mirror image, consider the United States the origin of their troubles. They blame Mexico’s epidemic of violent crime on an insatiable appetite for drugs and loose control over gun and ammunition sales in the United States. In addition, the U.S. financial crisis left the Mexican economy reeling in 2009. But in the past year, particularly since Peña Nieto’s election in July 2012, Mexico’s standing in the United States and internationally has increased dramatically — along with its national self-esteem. Though **organized crime and violence remain key concerns for Mexico,** stories of economic and social reform are now among the headlines. A November Economist article about Mexico was titled “From Darkness, Dawn.” And that message has become a standard media refrain. Some in Washington talked about Mexico as a likely failed state, but that has been decisively debunked. Mexico is now viewed as on the rise, though its homicide rate has fallen only slightly and no one is sure that improvements can be sustained. In fact, there are many Mexicos for Obama to deal with — the successful and prospering; the backward, corrupt and stagnant; and everything in between. This mix is not unusual. It is characteristic of most nations, even the United States. Obama needs to bring an optimistic perspective with him to Mexico, reflecting the growing confidence that Mexicans have in their country — and the image they project internationally. In this, Obama has little choice. No country is likely to affect the future of the United States more than Mexico, just as none will affect Mexico’s future more than the United States. No two nations have more to gain from energetically pursuing closer cooperation. Mexico’s reinvigorated economy has proven more resilient and vibrant than anyone expected. It shrank by more than 6 percent in 2009, one year after the Wall Street financial collapse, but economic expansion since has been faster than at any time in the past two decades. Mexico’s growth, while modest by Asian standards, has in the past three years been more robust than that of Brazil, one of the region’s strongest economies. It is also competing successfully with China in U.S. markets. Mexico will displace Canada as the largest U.S. trade partner within roughly six years, according to some economic projections. Close U.S.-Mexico economic ties, once seen as the culprit in our southern neighbor’s sluggish growth and sharp downturn, are now, as the U.S. continues to recover, a prime explanation for Mexico’s rising economic fortunes. The future may be even brighter. Peña Nieto has launched an ambitious reform agenda to overcome the many obstacles to stable, rapid economic growth. He is demonstrating the political talent needed to get his policies approved and put into practice. The Mexican president, for example, managed to negotiate the Pacto por Mexico, an accord among the country’s three major parties that bridged many of their long-held ideological differences and secured their agreement on a broad package of economic changes. Despite suffering some tangles and setbacks in recent weeks, the Pacto continues to provide a path forward to far-reaching reform. Peña Nieto plans to revamp Mexico’s oil industry and open it to foreign investment could reverse the decline in oil production and assure that the country remains a leading exporter. Proposed changes would also pave the way for the systematic exploitation of Mexico’s huge, untapped deposits of shale gas and oil. Other reforms are designed to augment government revenue and improve fiscal management. Peña Nieto wants to increase competition in telecommunications and other critical sectors, and upgrade the country’s mediocre schools and universities to raise productivity and create paths for social mobility. This explosion of reform initiatives has helped change opinion in the United States about Mexico. Less than a year ago, Mexico was widely viewed as an increasingly dangerous neighbor. Today, it is talked about as a promising economic partner. The partnership will be far stronger if — as now appears likely — Congress passes sensible and humane immigration reforms. The Mexican government seems most encouraged by the prospect of U.S. legislation that would include an expanded temporary worker program and would provide immediate legal status and a path to citizenship for most currently undocumented immigrants ‑ about half of whom are Mexican nationals. These changes could substantially eliminate a persistent tension in U.S.-Mexican relations. Mexicans have long been angered and insulted by U.S. debates on immigration, including insistent demands that the border be walled up; the spread of anti-immigration (and often anti-Latino) legislation in many states and communities, and absurd and offensive proposals like GOP presidential nominee Mitt Romney’s call for migrants to “self-deport.” Equally important, immigration reform will offer an array of economic benefits to both nations. Despite the Peña Nieto administration’s impressive start, however, there is reason for caution in thinking about the future of the country and its relationship with the United States. Mexico clearly looks better than ever, but it was never as seriously endangered as it was reported to be. It was never close to being a failed state. It is true that its homicide rate and violence rose rapidly in the past five years — and the associated brutality was unparalleled. But Mexico’s murders per capita are still far from the highest in Latin America. They regularly trail those of Brazil, Colombia, Venezuela, most of Central America and the Caribbean. On the economic side, yes, Mexico has only recently emerged from some 15 years of listless growth. During that period, however, the economy and banking system were well managed. Mexico maintained ample reserves and a low ratio of debt to gross domestic product. Inflation was kept firmly under control. For more than two decades now, Mexico has been building a modern economy with vibrant manufacturing and export sectors well integrated into U.S. supply chains. The Mexican economy was never as troubled as it was portrayed — and now the opportunities for improvement are greater than ever. Still, Mexico is not the sure bet that many believe it to be. It has to demonstrate that it can make its economy grow faster. The past 30 years offer little evidence that Mexico has the potential for sustained, rapid expansion, or for carrying out the reforms that such growth will require. The Mexican economy has long suffered fundamental shortcomings that restrain its productivity, job creation and capacity to compete. The obstacles to change remain formidable. Peña Nieto’s reform initiatives are just getting started. The legislature has already given its initial approval for changes in education, labor laws, telecommunication policy and some other sectors. But in many cases, original proposals have been watered down, additional legislation will also be required in almost every area and effective implementation is still to come. Success will depend heavily on Peña Nieto’s political skills — as well as the technical mastery of his advisers and managers. It will also hinge on whether the fragile inter-party consensus backing the Pacto por Mexico can be sustained and popular support mobilized for change. Crime and violence are likely to remain unrelenting challenges for Peña Nieto. They could even take central stage again. In fact, public security may not improve anytime soon — despite the new government’s multiple initiatives. Peña Nieto’s predecessor, Felipe Calderón, learned how arduous a task it is to reform Mexico’s police and its justice system, and restore public confidence in them. Now, Peña Nieto is making clear his deep dissatisfaction with — and his intention to overhaul — Calderón U.S.-supported approach to security and drug issues. The expected changes will almost surely irritate many in Washington and may even become a new source of friction in the bilateral relationship. But neither the United States nor Mexico is perfect. The two nations cannot look at each other only as sources of opportunity and gain; cooperation is needed to address risks and problems. Neither country has much of an option, however, because their economies and populations are so deeply integrated. There is no turning the clock back. Mexico and the United State have to solve their problems together and find ways to generate and exploit new opportunities jointly. If they can do it, the payoff will be enormous.

### No Mexican State Collapse

#### No Impact – the risk of state collapse is low – the Mexican economy is well managed, the democratic system functions well, and no counter-state alternatives exist

Valdez 2009  
Diana Washington Valdez Experts say government stable despite mounting border violence / El Paso Times 2/9/2009 http://www.elpasotimes.com/news/ci\_11606866

Before Hayden's recent retirement from the CIA, he said Mexico could rank alongside Iran as a security challenge for President Barack Obama, maybe even a greater problem than Iraq, while the Joint Forces Command's "JOE 2008" said Mexico and Pakistan's governments were in danger of collapse. Professor Josiah Heyman, a Mexico expert at the University of Texas at El Paso, said it's unlikely Mexico's governability has reached such a crisis stage. "Part of the alarm was sparked by the fact the drug violence is taking place right next door to our border, in Juárez," Heyman said. "There are things in Mexico that are very negative, but others that are very positive, too. For example, it is managing its economy very well, it has stabilized the price of oil, and it's a real functioning democracy. "But, it has not spread the wealth, and many decades have passed while the purchasing power of the Mexican people has fallen below what it was in 1982." Heyman said a counter or alternative state must exist before a current state can collapse. While certain factors can lead to a government's collapse, Mexico still lacks a strong counter-state to fulfill all the conditions for a political meltdown.

#### No risk of government collapse or spillover

Valdez 2009  
Diana Washington Valdez Experts say government stable despite mounting border violence / El Paso Times 2/9/2009 http://www.elpasotimes.com/news/ci\_11606866

Karen Hooper, Latin American analyst for STRATFOR, a global intelligence service in Austin, said unless Mexico experiences a catastrophic event, such as the assassination of the president or a destabilizing terrorist attack, "it is unlikely for the government to collapse or for the U.S. military to play an active role in Mexico beyond one of cooperation, such as through the Merida Initiative."

"Yes, the violence has increased, but so far, it's been mostly cartel-on-cartel violence. The cartels have no interest in doing something that could lead to a U.S. military (response). If everything stays the same, the most that can happen is for the status quo to remain."

# Border Security Adv.

## 1NC FL – Border Security Advantage

#### 1. No Impact - the border is already secure - drug seizures are up and illegal immigration is down

New York Times 2013   
Damien Cave for the New York Times 3/3/13 “Long Border, Endless Struggle” http://www.nytimes.com/2013/03/03/world/americas/border-security-hard-to-achieve-and-harder-to-measure.html?pagewanted=all&\_r=0

Some Republicans argue that the southern border remains dangerously porous and inadequately defended by the federal government. Obama administration officials, insisting there is no reason for delaying plans to move millions of people toward citizenship, counter that the border is already safer and more secure than ever. They say record increases in drug seizures, staffing and technology have greatly suppressed illegal traffic, driving down border apprehensions to around 365,000 in 2012, a decline of 78 percent since 2000.¶ Indeed, by every indicator, illegal migration into the United States has fallen tremendously — in part because of stricter immigration enforcement — and has held steady at lower levels for several years.

#### 2. No Internal Link - Terrorists and Mexican Drug cartels are like oil and water – they won’t mix – it’s against both of their interests.

Cárdenas 2013

Ana Lucía Dávila Cárdenas Asesora de la Dirección General en Fundación Ethos, Assistant to the Director at the Ethos Foundation ITESM Campus Monterrey Bachelor of Arts (B.A.) in International Relations, International Relations and Affairs, Policy Intern - Hispanic Leadership Network American Action Network, Analyst assistant at the Permanent Mission of Mexico to the U.N. 3rd Commission: Human Rights “Why Al Qaeda is not likely to act Hispanic.” 4/26/13 http://policyinterns.com/2013/04/26/why-al-qaeda-is-not-likely-to-act-hispanic/

And Gohmert is not the first to have this idea. Janet Napolitano has openly wondered what would happen if terrorists and drug cartels joined forces. Unfortunately for Gohmert – and luckily for Napolitano- these asseverations are not only false, but also unlikely to happen. It is important to understand that a terrorist organization is a completely different institution from a drug cartel. Their bases, ideologies, philosophies, goals, and activities set them apart and make them like oil and water: unlikely to combine. Al Qaeda is a radical fundamentalist organization based in a specific ideology and philosophy that derives from the sixth pillar of Islam: Jihad. The “struggle” represented in the Quran as Jihad implies a personal effort against “evil” to pursue the values of the religion. As the fundamentalist organization it is, Al Qaeda intends to promote and impose the Sharia (moral code and religious law of Islam) and pursues a political end through religious means. On the other hand, the drug cartels represent a complex form of organized crime with no ideology or philosophy behind it and one only goal: the sustainability and success of their business. Al Qaeda has, at its core, a doctrine that provides logic and a complex rationale to every action of the organization to transform the pillars and goals of Islam into a way of life. Al Qaeda, like many other fundamentalist organizations, recruits followers of the same doctrine in order to assure the purity and authenticity of its jihad, aiming to construct a community under the Islamic precepts. Not only do drug cartels lack a doctrine that inspires and justifies their activities, but they are culturally divergent from those that inspire Islamic jihad. Even the so-called “acts of terror” carried out by the cartels simply represent a struggle of power within the drug system with no doctrine as background, and are not considered “sacred” in the way the Jihad is. In this sense, recruiting, cooperating or assimilating drug dealers in the terrorist organization would contradict its essence and goals and could be considered shameful and sinful for its members. Islamists cooperate with other Islamists because at the core of their organizations lies religion. Even this statement is generalist since the varied branches of Islam differ radically from each other making the differences between Shiites and Sunnites an obstacle in the memberships of such organizations. It could be argued that if one of the main objectives of Al Qaeda is the imposition of a moral code for life in community, the Cartel members’ lifestyle could be significantly contradictory and offensive to the principles of Islam. The violation to the integrity of the body that alcohol consumption, drug abuse and sexual activity represent is a core element of life in the Cartels, while it is considered sinful for adherents of Islam. Therefore, terrorists do not have the need (or desire) to cross the border disguised as Hispanics. Al Qaeda has demonstrated that they have followers and entire communities of supporters and sponsors throughout the world. Many of them are even known to reside inside the United States legally and illegally. It might be time to recognize that Al Qaeda does not need Hispanics, or any other predominant group of immigrants, to pursue its goals and carry out its agenda in the U.S or elsewhere. The imminent challenge that terrorist organizations pose to the State and rule of law today is alarming and dreadful. However, such a threat should by no means be entwined to establish an unrealistic relation to the immigration issue we are confronting today. It would be a shame that an accumulation of groundless hypothesis and conspiracy theories withheld the progress towards a comprehensive immigration reform.

#### 3. No Impact - Iranian terrorism originating in Mexico is extremely unlikely, even if the border is insecure Mexico will prevent an attack.

Johnson 2011  
Tim Johnson, McClatchy Newspapers “Mexico seen as unlikely launching pad for Iranian plot” 10/12/2011http://www.mcclatchydc.com/2011/10/12/127034/mexico-seen-as-unlikely-launching.html#storylink=cpy

MEXICO CITY — The alleged Iranian plot to assassinate Saudi Arabia's ambassador to the United States has cast Mexico into the news as a potential staging area for a terrorist operation. But experts say the likelihood of such a plot going undetected in Mexico by U.S. authorities is low and that Mexico's drug cartels would be unlikely to become involved. U.S. officials alleged Tuesday that an Iranian-American and a member of Iran's al Quds Force sought to enlist a Mexican drug cartel in a plot to kill Saudi Ambassador Adel al Jubeir in Washington, perhaps by bombing a restaurant he was known to frequent. One of the men, Manssor Arbabsiar, 56, a naturalized U.S. citizen holding Iranian and U.S. passports, was said to have met in the Mexican border city of Reynosa with a Drug Enforcement Administration informant who he thought was a member of a violent drug cartel. The barrage of 251,287 unredacted U.S. diplomatic cables that WikiLeaks released more than a month ago suggest that American diplomats maintain a steady focus on Iran's activities in Latin America. In Mexico, that meant keeping an eye on a mosque in Torreon, watching the impact of Iran's "dynamic" new ambassador, gauging public attitudes toward Iran and coaching agents at Mexico's National Security and Investigation Center — CISEN in its Spanish initials — the domestic intelligence agency. Strategic Forecasting Inc., an Austin, Texas, global intelligence firm commonly called Stratfor, on Wednesday described as unlikely any use of Mexico as a staging ground for a terrorist attack emanating from the Middle East. It noted that while the U.S.-Mexico border is porous and prone to security breaches, the U.S. government has "extremely active intelligence capabilities" embedded in Mexico. It added that Mexico is generally hostile to enemies of the United States, not wanting to risk possible intervention by U.S. forces should its territory be used in any attack.

## Ext. to Frontline Arguments

### Ext. 1NC #1 - Border Secure Now

#### The border is safer now than ever.

New York Times 2013   
Damien Cave for the New York Times 3/3/13 “Long Border, Endless Struggle” http://www.nytimes.com/2013/03/03/world/americas/border-security-hard-to-achieve-and-harder-to-measure.html?pagewanted=all&\_r=0

With a similar degree of omission, Republicans demanding more fencing rarely mention that here, along hundreds of miles of a twisting river border with farms and parks on its edge, such an approach would mean seizing private property, damaging the environment and spending billions. It is increasingly clear to those who live along the boundary with Mexico — or who try to protect it — that there is no such thing as a completely secure border, just as there are no cities without crime. Even in areas with towering walls and drones or helicopters overhead, border security can be breached. The international divide is not a line or a series of doors to be locked and guarded, they argue. It is more like a 2,000-mile shoreline with ever-changing currents of migration, legitimate trade and smuggler tactics. The challenge evolves season to season. In Texas, where the border moves with the flooding of the Rio Grande, smugglers have started using fake Halliburton trucks to drive through areas where the company services oil fields. In San Diego, a few hundred migrants a year now arrive by boat, while the imposing fences that cost $16 million per mile are regularly overcome with ladders rented out for $35 a climb. “The U.S. border with Mexico is better controlled than at any time in our history,” said Robert C. Bonner, who served under President George W. Bush as the commissioner of the United States Customs and Border Protection. But, he said, there is a lack of understanding among policy makers and the public about the challenge. “The terrain can be quite different depending on what part of the border you are talking about, and there are different ways, different tactics really, that need to be brought into play,” he said. “And this requires almost mile-by-mile analysis.”

### Ext. 1NC #2 & 3: No Terrorism

#### Politifact disproves their impact – There is no credible evidence of a terrorist threat from Mexico.

Selby 2013  
W. Gardner Selby, chief political writer for the Austin American-Statesman. Politifact Texas PolitiFact Texas is a partnership of the Austin American-Statesman and PolitiFact.com, a Pulitzer Prize-winning Web site. “Louie Gohmert says al Qaeda has camps with drug cartels in Mexico” 4/23/13 http://www.politifact.com/texas/statements/2013/apr/23/louie-gohmert/louie-gohmert-says-al-qaeda-has-camps-drug-cartels/

Our ruling Gohmert told C-SPAN that al Qaeda has camps with the drug cartels in Mexico. Since 9/11, there has been occasional speculation about al Qaeda operatives crossing into the country from Mexico. Notably, too, Napolitano said in 2011 that the U.S. government has thought about what would happen if the Zetas united with al Qaeda. However, there appears to be no evidence of al Qaeda now having camps in Mexico, with the drug cartels or otherwise. According to experts, the groups that dominate drug trafficking will not put their businesses at risk. Mexican drug cartels deal in thousands of billions of dollars. They control territory where there is no government presence and they spread their tentacles across various countries. Neither do they hesitate to recruit illegal immigrants. They behead their victims. Willing souls? Question is, would they be interested in partnering with Iranian agents and al-Qaida terrorists to attack the other side of the Rio Grande? Last week, the U.S. government reported an alleged plot by Iranian government agents to assassinate Saudi Arabia’s ambassador in Washington with the supposed involvement of a Mexican cartel, presumably the most bloodthirsty of them all: The Zetas. On the other hand, several drug trafficking experts doubt the possibility that organized crime groups are interested in partnering with Islamic terrorists. A year and a half ago, the U.S. Embassy in Mexico rejected possible links between drug traffickers and Islamist terror cells. According to cables leaked by WikiLeaks, in a diplomatic dispatch in February 2010, the then-ambassador Carlos Pascual said, “No known international terrorist organization has an operational presence in Mexico, and neither have there been terrorist incidents directed against U.S. personnel or interests in Mexican territory, or originating from it.” Pascual resigned last March after the release of the cables expressed criticism towards Mexican President Felipe Calderon. According to the plot, which was denounced by the White House, Iranian citizen Manssor Arbabsiar, who is now detained, met several times with an alleged Mexican drug dealer who, in fact, was an undercover U.S. Drug Enforcement Agent. The Iranians, according to Washington’s same old story, offered their supposed Mexican partners a million and a half dollars for killing the Saudi diplomat. For Mexican writer and journalist Sergio González Rodríguez, author of several books on the phenomenon of organized crime, the bizarre story must be framed in the U.S. national security strategy for equating Mexican drug trafficking with terrorism.

#### Terrorism from the US-Mexico border is unlikely – best experts conclude

Selby 2013  
W. Gardner Selby, chief political writer for the Austin American-Statesman. Politifact Texas PolitiFact Texas is a partnership of the Austin American-Statesman and PolitiFact.com, a Pulitzer Prize-winning Web site. “Louie Gohmert says al Qaeda has camps with drug cartels in Mexico” 4/23/13 http://www.politifact.com/texas/statements/2013/apr/23/louie-gohmert/louie-gohmert-says-al-qaeda-has-camps-drug-cartels/

Our search of recent news accounts turned up nothing specific to al Qaeda camps in Mexico, though an Oct. 13, 2011, Agence France Press news story, datelined Mexico City, said that in February 2011, Janet Napolitano, the U.S. secretary of Homeland Security, had said U.S. authorities were concerned about a potential alliance between groups like al Qaeda and the Zetas, which the story described as the cartel "started by elite military brass who went bad to sell drugs." Napolitano mentioned the worry, according to the transcript of a Feb. 9, 2011, hearing of the House Committee on Homeland Security, after Rep. Blake Farenthold, R-Corpus Christi, said that he believed terrorists could exploit the international drug trade to the detriment of the United States. "Indeed," Napolitano replied. "And one of the things that -- all I will say in open setting is that we have for some time been thinking ahead about what would happen if, say, al Qaeda were to unite with the Zetas, one of the drug cartels. And I'll just leave it at that." The Agence France Press story also said that President Barack Obama said in July 2011 that the Zetas "were a threat to international security, comparing them to organized crime groups in Italy and Japan. But experts argued," the story said, that "it is one thing for the Zetas to indulge in cross-border business, and it is quite another for them to decide to take part in a terror strike that would directly challenge and confront the U.S. government." Experts say such camps unheard of - Next, several security experts on security issues each told us he was unaware of al Qaeda camps in Mexico. "Never heard this one before," replied Daniel Byman, a Georgetown University professor and the director of research at the Saban Center for Middle East Policy at the Brookings Institution. "This was a post 9/11 fear, but I never saw evidence for it. " By telephone, Daveed Gartenstein-Ross, a senior fellow at the Foundation for the Defense of Democracies, said that he would not discount border security, but Gohmert’s claim struck him as "incredibly sloppy. It doesn’t help the debate. We don’t know that these claims are true." Gartenstein-Ross offered, too, that it would be foolish for the drug cartels to let al Qaeda establish camps in their bailiwicks. The cartels, he said, "are out to make money. Right now, they have not drawn the (direct) wrath of the United States. If they had al Qaeda camps," he said, they’d draw U.S. military might. "There has been no credible report of al Qaeda having camps with the drug cartels," he said. Similarly, Brian Michael Jenkins, a RAND terrorism expert, said through an email that he has not seen any evidence to support the claim. A RAND colleague, political scientist Peter Chalk, separately said via email he had not heard of such camps in Mexico.

#### Cartels won’t ally with terrorists – visibility and terror are bad for business.

González-Calero 2011   
César González-Calero has spent his entire career working as a journalist in a range of publications in Spain and Latin America, including Diario 16, El Mundo, El País, Expansión, The Washington Post, El Universal, Cambio and Milenio. “Mexican Drug Cartels and Islamic Terrorism: An Unlikely Alliance” Translated By Robin Salomon 17 October 2011 Edited by Jen­nifer Pietropaoli La Nacion http://watchingamerica.com/News/126395/mexican-drug-cartels-and-islamic-terrorism-an-unlikely-alliance/

In addition to Gonzalez Rodriguez, other experts are outspoken about drug trafficking. Jose Reveles, author of such books as “Narcoméxico,” appeals to the “logic” of the cartels to reject alliances with Islamist terrorism. “The cartels operate in areas they know and where it is possible to escape; they are not suicidal, and it is not amongst their priorities to attack the United States.” Raul Benitez, a researcher at the Autonomous University of Mexico, concurs: “The cartels want to do their business in secret; that sort of visibility is not convenient for them.” Even U.S. intelligence and security consulting firm, Stratfor, which sides closer to the neoconservative ideology, considers it very unlikely that there would be an alliance between radical Islamists and drug traffickers, according to a report that came out last week, after complaints from the White House. For Stratfor, cartel cooperation with terrorist groups would jeopardize the modus operandi of these gangs because they would suffer reprisals from Washington. Mexican drug trade does not seem to need al-Qaida or any other Islamic organization to set foot in the U.S. It’s already present in over 1,000 cities, according to the U.S. Department of Justice. The business of cocaine, marijuana and methamphetamine remains buoyant. Why would it sink?

#### **Mexican cartels won’t work with terrorists; it would be bad for business.**

Johnson 2011  
Tim Johnson, McClatchy Newspapers “Mexico seen as unlikely launching pad for Iranian plot” 10/12/2011http://www.mcclatchydc.com/2011/10/12/127034/mexico-seen-as-unlikely-launching.html#storylink=cpy

The cartels, too, have pragmatic interests in maintaining their core business of narcotics smuggling without greater interference, it added. "Any plan to use Mexican drug cartels to carry out attacks against the United States would threaten the very existence of the cartel," a Stratfor analysis said. "Mexican drug cartels are already facing challenges — struggling with one another and with the Mexican government for control over transportation routes that will allow them to transit cocaine from South America to the United States. Any foray into international terrorism would be bad for business," Stratfor said. At least four U.S. diplomatic cables from 2008 and 2009 indicate how closely U.S. envoys in Mexico track Iranian activities.

### At: Border Terror

**Can’t solve border terrorism – they’ll use other means or adapt**

**Allen, 12** Senior Fellow at CFR (Edward, CATO Journal, “Immigration and Border Control”,

<http://www.cato.org/pubs/journal/cj32n1/cj32n1-8.pdf> SW)

The third need is to reconsider our understanding of national security and border control. The close link in the public mind is largely a result of the specific circumstances of the 9/11 attacks, in which all the attackers entered the United States from overseas. The result has been an intense focus on policies designed to prevent similar future attacks, and border control has figured prominently. But if the attacks had been carried out by individuals who had lived many years in the United States—such as the perpetrators of the 2005 London subway bombing, who were all born or raised in the United Kingdon—the response would have been quite different. Immigration policy might still have figured prominently in the reaction, but the issue would have been—as it has largely been in Europe—the failure of integration rather than the failure of border control. Border control is a very limited counterterrorism tool. While it can raise the hurdles for entry, there are many other ways to carry out terrorist attacks successfully. It is not coincidental that since 9/11 the majority of the terrorist conspiracies in the United States have involved U.S. citizens or permanent immigrants rather than recent arrivals. Terrorist groups have simply adapted to tougher border controls and recruited accordingly (Alden 2010c).

#### Status quo measures solve all forms of terrorism

**Department of Homeland Security 13**(The Department of Homeland Security “Protecting Our Borders – This is CBP” 03/11/2013 <http://www.cbp.gov/xp/cgov/about/mission/cbp.xml>, RLA)

**CBP assess all people and cargo entering the U.S. from abroad for terrorist risk.** We are able to better identify people who may pose a risk through initiatives such as: the Advance Passenger Information System, United States Visitor and Immigrant Status Indication Technology (known as US-VISIT), and the Student and Exchange Visitor System. CBP regularly refuses entry to people who may pose a threat to U.S. security.¶ In addition, **CBP uses advance information from the Automated Targeting System, Automated Export System**, and the Trade Act of 2002 Advance Electronic Information Regulations **to identify cargo that may pose a threat**. CBP’s Office of Intelligence and Operations Coordination’s National Targeting Centers enhance these initiatives by synthesizing information to provide tactical targeting. **Using risk management techniques, the centers identify suspicious individuals or containers before arrival**.¶ The Automated Commercial Environment has made electronic risk management far more effective. The ACE Secure Data Portal provides a single, centralized on-line access point to connect CBP and the trade community. **CBP's modernization efforts enhance border security while optimizing the ever-increasing flow of legitimate trade**. ( ACE: Modernization Information Systems )¶ **CBP also screens high-risk imported food shipments in order to prevent bio-terrorism/agro-terrorism.** For the first time, U.S. Food and Drug Administration and CBP personnel are working side by side at the NTC to protect the U.S. food supply by taking action, implementing provisions of the Bioterrorism Act of 2002. CBP and FDA are able to react quickly to threats of bio-terrorist attacks on the U.S. food supply or to other food related emergencies.

#### Terrorists do not enter the US from the Mexican border

**Ball 2/22** (Molly Ball, journalist for The Atlantic and The Next America National Journal, “Will Immigration hawks ever think the border is secure enough?,” 2/22/13, <http://www.nationaljournal.com/thenextamerica/immigration/will-immigration-hawks-ever-think-the-border-is-secure-enough-20130222>, 7/2/13)

Terrorists are not coming over the border. There's never been a reported case of a terrorist attack in the U.S. that involved someone coming across the Mexican border. A congressional subcommittee report on the threat of cross-border terrorism [cited unsubstantiated claims and three specific cases](http://borderfactcheck.tumblr.com/post/40769077146/cross-border-terrorism-does-evidence-to-compel), including a Tunisian cleric caught hiding in the trunk of a car in San Diego who was not accused of involvement in any terrorist activity. The other two also were not linked to specific terrorist plots.

#### Border breaches are inevitable – even the most fortified borders leak

**Allen, 12** Senior Fellow at CFR (Edward, CATO Journal, “Immigration and Border Control”,

<http://www.cato.org/pubs/journal/cj32n1/cj32n1-8.pdf> )

But border security for the purpose of dissuading illegal migration is an entirely different matter. Here, **perfect security cannot be the goal**. **Even the Cold War border between the two Germanies—the most heavily fortified in modern history—was successfully breached a thousand or so times each year.** There is simply no way for a large, open, and democratic country like the United States to construct and maintain perfect border defenses. It is hard to think of another issue where the public debate is so utterly at odds with what the government can realistically achieve (Ziglar and Alden 2011).

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## Extensions/Additional Answers

### A2 – Overstays

#### The affirmative cannot solve overstays – it would be a logistical nightmare. Existing laws are sufficient to deter overstays.

Alden 2013   
Edward Alden, a senior fellow at the Council on Foreign Relations, is the author of The Closing of the American Border: Terrorism, Immigration and Security Since 9/11. “Critics exaggerate holes in visa system” The Hill 05/20/13 http://thehill.com/opinion/op-ed/300841-critics-exaggerate-holes-in-visa-system

More routinely, the U.S. government revokes the visas of those who overstay, so that if they do leave the country, they will likely not be permitted to return. That creates a strong deterrent against casual overstayers. Holes certainly remain. The government should be notifying visa holders by email when their visas are set to expire to encourage compliance. The Senate bill would require an electronic exit system in which the passports of all departing passengers are swiped to avoid errors. The land borders still pose a logistical nightmare because of the high traffic volume. But the U.S. and Canada are solving that problem through information sharing. This June the two governments will start sharing entry and exit records for all third-country nationals, including permanent residents of Canada and the United States. This leaves the Mexican border, where it will be harder to share data due to poor infrastructure and information systems on the Mexican side. But there, too, gradual progress is being made. U.S. tracking of visa overstays is not perfect, but neither is it the massive hole in immigration enforcement that too many in Congress believe exists. A debate over the facts will help in crafting legislation that better secures the United States against criminals, terrorists and ordinary immigration-law violators.

#### Overstays are decreasing now and new visa requirements deter illegal visa use.

Alden 2013   
Edward Alden, a senior fellow at the Council on Foreign Relations, is the author of The Closing of the American Border: Terrorism, Immigration and Security Since 9/11. “Critics exaggerate holes in visa system” The Hill 05/20/13 http://thehill.com/opinion/op-ed/300841-critics-exaggerate-holes-in-visa-system

No part of the immigration reform debate is more misunderstood than the issue of those who have overstayed visas. Critics of the Senate Gang of Eight’s proposal say little has been done since the 9/11 terrorist attacks to plug a loophole that has allowed millions to remain in the United States illegally. Sen. John Cornyn (R-Texas) said recently that despite a 1996 law that requires an “entry-exit” system to catch overstayers, “the exit system is nonfunctional.” In fact, the number of visa overstays has plummeted in the past decade as successive administrations have made real progress in tightening the visa system. The additional requirement in the Senate bill for fully electronic exit at all airports and seaports within five years is a sensible addition to solving a chronic problem that is gradually being brought under control. Temporary visas are issued for many purposes, but all require that a foreign tourist, student or other visa holder return home when the duration of his or her lawful visit expires. Historically, however, the United States has never known whether visa holders actually left, and many did not.

### Turn – Trade increases Illicit Drugs

#### Trucks = drugs

Reuters 2012  
 ”U.S. transport companies cash in on Mexico trade boom” http://www.reuters.com/article/2012/12/04/us-usa-transports-mexico-idUSBRE8B307020121204

Along with the boom in business come dangers. Companies with operations in Mexico must deal with the ongoing drug war. Kansas City Southern posts guards on trains in high-risk areas and scans cargo as trains cross the border.

But most of the problems are on the roads. The Mexican Council on Northeast Foreign Trade, a private trade association, said 85 percent of illegal goods sent from Mexico to the United States were found in trucks.

A federal police officer who requested anonymity said it was a very big problem with life-and-death consequences. "Truckers in Tamaulipas state and Monterrey are often threatened with death if they don't transport what they're told to transport, drugs above all," the police official said.

# TPP Adv

### Plan Hurts TPP

#### Process link – negotiations from the plan will bind the U.S. to regionalism, trading off with multilateral TPP

Villarreal and Fergusson 13 – Specialists in International Trade and Finance

M. Angeles and Ian F., “NAFTA at 20: Overview and Trade Effects”, Feb 21, <http://www.fas.org/sgp/crs/row/R42965.pdf>, CMR

Trans-Pacific Partnership (TPP) ¶ With the start of the Auckland Round in December 2012, Canada and Mexico began participating ¶ in the ongoing negotiations for a proposed TPP free trade agreement (FTA) among eleven ¶ countries in the Asia-Pacific region.84 The United States is an active participant in the ¶ negotiations and was among the first tranche of countries to join the original four members of the ¶ Trans-Pacific Strategic Economic Partnership (Brunei, Chile, New Zealand, and Singapore) to ¶ launch the TPP negotiations in the fall of 2008. With 26 negotiating groups and 29 chapters under ¶ discussion, the TPP partners envision the agreement to be “comprehensive and high-standard,” in ¶ that they seek to eliminate tariffs and non-tariff barriers to trade in goods, services, and ¶ agriculture, and to establish rules on a wide range of issues, including intellectual property rights, ¶ foreign direct investment and other economic activities. They also strive to create a “21st century ¶ agreement” that addresses new and cross-cutting issues presented by an increasingly globalized ¶ economy. ¶ While the United States has indicated that it is only negotiating bilateral market access in the TPP ¶ talks with countries with which it does not have FTAs—Brunei, Malaysia, New Zealand, and ¶ Vietnam—it has sought to go beyond current U.S. FTAs in its proposed rules chapters. This has ¶ become a point of contention in the talks and may become an issue for Canada and Mexico as ¶ well. The TPP may have implications for NAFTA in several areas, including intellectual property ¶ rights (IPR), investment, services, government procurement, as well as labor and environmental ¶ provisions. The related provisions in more recent free trade agreements that the United States has ¶ negotiated, such as those with Colombia, Panama, Peru, and South Korea, include commitments ¶ that go beyond NAFTA. If agreement is reached on a TPP, Canada and Mexico may have to ¶ adhere to stronger and more enforceable labor and environmental provisions, stronger IPR ¶ provisions, as well as some issues that were not addressed in detail in the NAFTA, such as ¶ disciplines on state-owned enterprises.

#### Perception alone triggers the link – plan signals the US isn’t committed, collapses the pivot

Japan Times 12 “Mr. Obama’s focus on Asia”, 11/24, <http://www.japantimes.co.jp/opinion/2012/11/24/editorials/mr-obamas-focus-on-asia/#.UdOYnvm1FiI>, CMR

Indeed, the critical question for the U.S. is the perception of its Asia policy. While the U.S. proclaims a new strategic focus on the region, the vast majority of these policies have been in place for over a decade.¶ The U.S. will continue to be deeply involved in Asian affairs. The U.S. leadership understands that its future vitality requires a deeper commitment to the region and a deeper appreciation of its value to the U.S.¶ But Mr. Obama fights an uphill battle — not because of actual constraints, but because of the perception that his resources are limited. Winning the public relations battle — the battle for Asian minds — is the real challenge for the U.S.

#### Plan drains Obama’s focus – agenda is finite

Pastor 13 – Professor and Director of the Center for North American Studies at American University (Robert A, “Speed Bumps, Potholes, and Roadblocks on the North American Superhighway”, Winter, Lexis, CMR)

Obama sought to warm the two bilateral relationships, but his agenda was so full - with two wars, a deep recession, and health insurance - that he could not devote the time or political capital to refashion the North American relationship. This is the political context that explains why the three governments failed to take any steps to flatten the speed bumps, fill the potholes, eliminate the roadblocks, tear down the walls, and stop extracting tolls in the absence of roads. Real integration stalled and went into reverse. The costs of doing business among the NAFTA countries increased.

#### Latin America policy drains diplomatic capital – crowds-out other issues

Rozental 10 – member of the Advisor board, president of Rozental & Asociados in Mexico City and senior fellow at the Brookings Institution (Andres, “What Do the U.S. Election Results Mean for Latin America?”, 11/8, <http://www.thedialogue.org/page.cfm?pageID=32&pubID=2505>, CMR)

A: Andrés Rozental, member of the Advisor board, president of Rozental & Asociados in Mexico City and senior fellow at the Brookings Institution: "The results of the U.S. congressional elections can only be sobering news for Latin America in general, and Mexico in particular. With a political and foreign policy agenda in Washington already crowded with issues unrelated to our region, it would appear that the hemisphere will slip even further down on the list of priorities for both the Obama administration and Congress. The change of control in the House probably means that even if he really wanted to move the immigration and gun control agenda forward, President Barack Obama won't have the political capital needed to counter newly elected right-wing Republicans and Tea Party representatives who generally oppose comprehensive immigration reform or any limitations on Second Amendment rights to buy and own all types of weapons, many of which find their way to the drug cartels in Mexico and beyond. Although some analysts have forecast an increased foreign policy interest by the White House after the Nov. 2 elections, any such change will most probably focus on Afghanistan, India-Pakistan relations, Iran and the Middle East peace process, not on the immediate neighborhood. Congress has already reduced the amount of assistance under Plan Mérida to Mexico, Central America and the Caribbean, which was meant to materialize the 'shared responsibility' that the United States has rhetorically assumed for the war on drugs since Obama was elected two years ago. Nothing on his or the immediate congressional agenda would indicate today that relations with Latin America might substantially change during the remaining biennium of his first term."

### Neg No China War

#### China will not challenge or start a war with the US.

Bianjiang June 2013 Yu Bianjiang is an associate at the Institute for the Study of Diplomacy, Edmund A. Walsh School of Foreign Service, Georgetown University Sailing Against the Current— China-U.S. Relations in the Next Stage <http://isd.georgetown.edu/files/Yu_Sailing_FinalEditedPaper.pdf>

Many books and articles discuss an inevitable big power rivalry between China, the rising power, and the United States, the established power. This, however, is more an empirical assumption than a conclusion based on solid facts.11 As for the overall national power balance, there is still a huge gap between China and the United States.12 Although the United States is facing a lot of problems, it will remain the strongest single power in the world for the foreseeable future. As Professor Zbigniew Brzezinski has put it, America has six main assets: overall economic strength, innovative potential, demographic dynamics, reactive mobilization, a geographic base, and a democratic appeal.13 Other assets can easily be added to that list: an overwhelming military superiority, a broad alliance system, and an international-agenda setting capability: “It is a mistake to exaggerate Chinese power. Even when the overall Chinese GDP [gross domestic product] passes that of the United States, the two economies will be equivalent in size, but not equal in composition. [Do not] ignore U.S. military and soft-power advantages, as well as China’s geopolitical disadvantages.”14 For quite a long time, China will remain an ambivalent country. Although China likely will continue its rather high-speed development, it will face a myriad of daunting internal challenges, including, to name but a few, growing inequities, the need to build a new economic growth engine, environmental pollution, massive migration from rural areas to cities, and an aging population. “Any small individual problem multiplied by 1.3 billion becomes a big problem. And any considerable amount of financial and material resources divided by 1.3 billion becomes really small.”15 Or in David Shambaugh’s term, China is still a “partial power.”16 China also does not intend to fight for global hegemony with the United States for the following reasons: 1. China has too many neighbors. A militant Chinese policy would easily enhance cooperation among them and pose a formidable obstacle to China. Any kind of Chinese dream would thus become illusory. 2. China has become a major stakeholder and beneficiary in the existing international order and is an unlikely candidate for revolutionary change.17 3. China has little history of global adventurism. In ancient history, China’s imperial expansion was achieved by osmosis rather than by conquest, or by the conversion to the Chinese culture of conquerors who then added their territories to the Chinese domain.18 Moreover, nuclear weapons and inseparable interdependence have made the world unwilling to adjust the international system through waging wars. As Dr. Brzezinski has stated, “I personally do not believe that wars for global domination are still a serious prospect in what is now clearly the post-hegemonic age.”19

#### China won’t go to war - no incentive.

Bremmer, 10 – president of Eurasia Group and author (Ian Bremmer, “China vs. America: Fight of the Century,” Prospect, March 22, 2010, <http://www.prospectmagazine.co.uk/2010/03/china-vs-america-fight-of-the-century/>)

China will not mount a military challenge to the US any time soon. Its economy and living standards have grown so quickly over the past two decades that it’s hard to imagine the kind of catastrophic event that could push its leadership to risk it all. Beijing knows that no US government will support Taiwanese independence, and China need not invade an island that it has largely co-opted already by offering Taiwan’s business elite privileged investment opportunities.

#### China wouldn’t fight a war in ANY dispute.

Fravel ‘8 (Taylor, poli sci prof and member of the Security Studies Program at MIT, “Power Shifts and Escalation,” International Security, Winter, lexis)

The prospects for China's use of force in its six unresolved disputes are mixed. On a positive note, China's disputes with India and Bhutan as well as its conflicts over the Paracel and Spratly Islands have been effectively neutralized. China reached agreements on confidence-building measures in its remaining frontier disputes with India and Bhutan in the 1990s, and negotiations for a final settlement are ongoing and have been conducted without using military threats. In April 2005, India and China signed an agreement on the guiding principles for settling their long-standing dispute. [130](http://www.lexis.com/research/retrieve?_m=7296538804c80869443a2f422b118e80&docnum=5&_fmtstr=FULL&_startdoc=1&wchp=dGLbVzb-zSkAt&_md5=21a463804ef277a96be397c784ddbb21&focBudTerms=PRC%20AND%20nationalism%20w/10%20china%20&focBudSel=all" \l "fnote130" \t "_self) Offshore, the potential for conflict over two of China's outstanding island disputes has been reduced significantly. China has occupied all of the disputed Paracels features since the 1974 clash with South Vietnam. Although it is unlikely to relinquish control over the archipelago, Vietnam lacks the means to challenge China militarily. Likewise, the hallmark of China's foreign policy in Southeast Asia, its engagement of the Association of Southeast Asian Nations (ASEAN), has neutralized the Spratlys dispute. [131](http://www.lexis.com/research/retrieve?_m=7296538804c80869443a2f422b118e80&docnum=5&_fmtstr=FULL&_startdoc=1&wchp=dGLbVzb-zSkAt&_md5=21a463804ef277a96be397c784ddbb21&focBudTerms=PRC%20AND%20nationalism%20w/10%20china%20&focBudSel=all" \l "fnote131" \t "_self) By agreeing to a code of conduct declaration in 2002 and signing the ASEAN Treaty of Amity and Cooperation in 2003, China has committed itself to refrain from occupying additional contested features and from using force against other signatories to the agreement, which includes all other claimants to the Spratlys. Likewise, having occupied disputed reefs in 1988 and 1994, China has strengthened its relative position. Bolstered by its growing naval power relative to the other claimants, China can be confident about the strength of its claim and the outcome of any negotiations.

# Auto Industry Adv

### Auto Industry Good Now

#### **The auto industry is thriving now – exports.**

Rogers & Boudette 7/1/13 A Revitalized Car Industry Cranks Up U.S. Exports Wall Street Journal http://online.wsj.com/article/SB10001424127887324577904578559933968739000.html

The U.S. auto industry, in tatters just four years ago, is emerging as an export powerhouse, driven by favorable exchange rates and labor costs in a trend experts say could drive business for many years. In a sign of the turnaround, Honda Motor Co 7267.TO +0.40% ., once a big importer of Japanese-made cars, says it expects to export more vehicles from North America—with nearly all of them coming from its U.S. factories—than it brings in from Japan by the end of 2014. Last year, more than one million cars and light trucks were exported from U.S. auto plants, the highest recorded and a more than threefold rise from 2003, according to the U.S. International Trade Administration. More competitive labor costs and restructurings that closed unproductive factories have made American auto plants tougher competitors in the global market. Some are also looking at U.S. production as a way to serve booming emerging markets. By the end of 2014, Chrysler hopes to export as many as 500,000 vehicles a year to markets outside of North America, more than doubling the 210,000 it sent abroad in 2012. The vast majority of Chrysler's exports come from U.S. factories. "What's changed is our focus on our international markets," said Mike Manley, chief executive of Chrysler's Jeep. Majority-owned by Italian auto maker Fiat SpA, F.MI -0.94% Chrysler is using its parent's connections to build sales in Russia, China and elsewhere. "We took a very different, more aggressive view on how we could grow with the existing resources that we have," he said. Of course, the value of automobiles coming into the U.S. is still greater than those exported. The country's auto trade deficit was $105.5 billion last year, about double the $51 billion in auto shipments overseas.

#### Hiring proves that the auto industry is growing now.

Krisher 2013 “American auto industry about to go on hiring spree” Tom Krisher AP Auto Writer http://www.delawareonline.com/viewart/20130613/BUSINESS11/306130049/American-auto-industry-about-go-hiring-spree

The auto industry is about to go on a hiring spree as car makers and parts suppliers race to find engineers, technicians and factory workers to build the next generation of vehicles. The new employees will be part of a larger, busier workforce. From coast to coast, the industry is in top gear. Factories are operating at about 95 percent of capacity, and many are already running three shifts. As a result, some auto and parts companies are doing something they’ve been reluctant to consider since the recession: Adding floor space and spending millions of dollars on new equipment. “We’re really bumping up against the edge,” says Michael Robinet, managing director of IHS Automotive, which forecasts auto production. “So it really is brick-and-mortar time.” The auto industry’s stepped-up hiring will help sustain the nation’s job growth and help fuel consumer spending. On Friday, the government said U.S. employers added 175,000 jobs in May, roughly the monthly average for the past year and a sign of the economy’s resilience. At 7.6 percent, U.S. unemployment remains well above the 5 percent to 6 percent typical of a healthy economy. Growth is still modest, in part because of higher taxes and government spending cuts that kicked in this year and weak overseas economies. But the housing market is strengthening, and U.S. consumer confidence has reached a five-year high. The auto industry’s outlook is bright. Vehicle sales for 2013 could reach 15.5 million, the highest in six years. To meet that demand, automakers must find more people. Hundreds of companies that make parts for automakers have to hire, too, just to keep up. “As volume goes up, we will really need to add heads,” says Mel Stephens, a spokesman for Lear Corp., which makes automotive seats.

#### The Auto industry is competitive and strong now.

Rogers & Boudette 7/1/13 A Revitalized Car Industry Cranks Up U.S. Exports Wall Street Journal http://online.wsj.com/article/SB10001424127887324577904578559933968739000.html

Labor agreements paved the way for the two auto makers to hire thousands of workers who earn $14 an hour, about half that of veteran workers. Ford, which restructured without government intervention, got much the same terms from the United Auto Workers union as its crosstown rivals. The leaner U.S. industry also contrasts with Europe and Japan, which are struggling with too much capacity, rising labor costs and shrinking domestic demand. The average cost of a U.S. auto worker's pay and benefits was $38 an hour in 2011, compared with $60 in Germany and $37 in Japan, according to the Center for Automotive Research. That's up only $3 an hour from 2007. In Germany, the per-hour compensation has jumped $14 in the same period; in Japan, it is up $12. These trends have encouraged German and Japanese auto makers to boost exports from their U.S. factories. Last year, BMW BMW.XE +1.67% exported about 70% of the 301,515 vehicles it made in South Carolina. Daimler AG's DAI.XE +1.14% Mercedes-Benz exported about the same percentage of the 180,000 vehicles it made in Alabama last year. In 2012, Toyota exported 124,000 U.S.-made cars and light trucks to markets globally, up from 86,000 in 2011. "Because we build a certain level of vehicles here already, it is more cost effective to send from the U.S.," said Nihar Patel, vice president of North American business strategy for Toyota Motor Sales U.S.A. The rise in U.S. vehicle exports is creating jobs far from the industry's heartland.

#### The Auto Industry is strong now.

Walsh 2013, Tom Detroit Free Press Business Columnist Glory days back for auto industry, or just a mirage? 7/3

<http://www.freep.com/article/20130702/COL06/307020101/Tom-Walsh-Ford-Chrysler-General-Motors>

Happy days really are here again for the U.S. automobile industry. Enjoy them for a moment — or perhaps even for a couple years. Then start watching closely, very closely, to see how long Detroit’s carmakers and their foreign-owned rivals can stand prosperity. June was a boffo month in U.S. auto showrooms, as cars and trucks sold at a brisk annual pace approaching 16 million vehicles, a level not seen since mid-2007. That’s when a swoon quickly became a free fall that sent auto sales plummeting to an annual pace of 9.5 million, the lowest since 1975, which culminated in the bailouts and bankruptcies of General Motors and Chrysler. A record-setting eight-year boom — when cars and trucks sped off dealer lots at a rate of 16 million to 18 million a year from 1999 to 2007 — preceded the Great Bust. That boom was widely thought later to have been a bubble, with vehicle sales inflated by lax credit, lavish rebates and lack of production discipline — especially at the Detroit Three automakers, whose labor union contracts back then, with their infamous jobs-bank provisions, required wages for workers whether they were building cars or not. Now sales are approaching boom levels again. Transaction prices keep rising. Automotive profits in North America are robust. Consumer sentiment is improving, housing starts and prices are up. When home builders are building again, they buy pickups, lots of them. Sales of large pickups by Ford, GM and Chrysler’s Ram brand have all risen more than 20% during the first half of 2013. And it’s not only trucks that are hot. Cadillac year-to-date sales are 33% ahead of last year. Chevrolet’s Cruze small car set a monthly sales record of 32,871 in June and is outpacing the 2012 sales pace by 17% so far this year. And it’s not just Detroit. Nissan sales were up 13% in June, Toyota and Honda up 10% each.

### Auto Industry not key

#### Auto Industry not long term, won’t recover fully

Smitka 12 (Michael Smitka, April 26, 2012, professor of economics at Washington and Lee University, has conducted research on the auto industry for more than two decades, Washington and Lee University, http://news.blogs.wlu.edu/2012/04/26/the-auto-industry-and-the-economy/ “The Auto Industry and the Economy”, KA)

But looked at from another angle, the news remains grim. Sales may be up sharply but are still 2.5 million units below the 16.3 million average pace of the previous 15 years. In the mid-2000s, the industry employed 3 million workers. Despite the recent gains, we are still more than 500,000 jobs below peak. On the employment front, the glass is not yet half full. Will recovery add back all these jobs? On the negative side, the U.S. is now the third-largest car market, behind China and the European Union. As the BRIC countries (Brazil, Russia, India and China) and other economies grow, sales will rise and investment to assemble cars locally will increase. Over time, design and engineering jobs will follow. We face long-term, and not just short-term, challenges as the industry continues to globalize. China, for example, is serious about electric cars. But in the face of an outcry by Congress over a failed solar panel venture, the U.S. has pulled the plug on electric vehicle startups, refusing to disburse funds for firms that have finished the engineering stage to hire the workers and buy the parts needed to commence production. If the Chinese market grows, we can expect to see technology — high-tech jobs — flow to where the money is. It's not just batteries, either. For the first time ever, more than half of the finalists for the Automotive News PACE supplier innovation competition were based outside the U.S. As an independent judge for the competition, one firm I visited this year was Continental, a German company launching a new telematics system that will facilitate hands-free services outside the luxury segment. The first company to adopt the system is GM — but it will be on Chevys sold in China, not in the U.S. That's where the growth is. The hardware was developed at Continental's telematics R&D center outside Chicago, but the software engineering was done in Shanghai, where the electronics "black box" is also assembled. We're a player, but with globalization, we're not as big a player as in the past. On the flip side, there is encouraging news: BMW and Mercedes chose to base plants in the U.S. to make key global products, while Korean and Japanese assemblers and suppliers continue to move jobs here: Production follows sales, and Toyota, Honda and Nissan — the Japanese Big Three — now have full-fledged vehicle engineering capabilities in the U.S. Given current exchange rates, we remain an attractive production base, with a wide array of suppliers and specialized engineering firms, good infrastructure, stable politics and a robust ability to overcome shocks. But the slower the recovery, the more we will see new technologies and the accompanying skilled jobs shift to where the sales are. On net, I doubt we'll ever fully recover.

#### The economy is resilient and nimble – even sharp corrections from the auto industry won’t affect it.

Michael Barone, 7-7-2008, is a senior writer for U.S.News & World Report and principal coauthor of The Almanac of American Politics. He has written for many publications—including the Economist and the New York Times, U.S. News and World Report, “Housing, the Subprime Mortgage Crisis and the Enduring Resilience of the U.S. Economy,” <http://www.usnews.com/blogs/barone/2008/7/7/housing-the-subprime-mortgage-crisis-and-the-enduring-resilience-of-the-us-economy.html>

For guidance in my thinking, I have come to look to my American Enterprise Institute colleague Peter Wallison, whose latest long paper is titled, "For Financial Regulation, the Era of Big Government Really Is Over." Wallison notes that for all the financial roilings, the "real economy" keeps rolling along. "The picture this suggests is of a globalized economy that is far more flexible, diverse, nimble and robust than most observers would have imagined." This is one of Alan Greenspan's themes in his memoir, which in my view should not have been titled The Age of Turbulence but The Age of Resilience. Growing up in Detroit in the 1950s, I saw how the metro area's economy was subject to sharp contractions when the macroeconomy slowed down and demand for new cars suddenly dropped off. The Big Three auto industry worked on three-year product development cycles and its three- or five-year contracts with the United Auto Workers. That economy was very inflexible and had little resilience. In contrast, the economy of the last decade has mostly produced low-inflation economic growth despite a series of shocks—Long-Term Capital Management in 1998, the bursting of the high-tech bubble in 2000, Sept. 11, 2001, the prolonged Iraq war, and now the subprime mortgage crisis.Writing from long experience (he was a year or two ahead of me at Harvard and served as general counsel to the Treasury 25 years ago), Wallison notes that our economic world is much different from the one we grew up in. "First, the financial resources of the government today are no longer large in relation to the size of the private sector." The Federal Reserve's balance sheet is $800 billion while the real assets of the 10 largest private-sector banks are $17.4 trillion—more than 20 times larger. Currency markets trade something like $618 billion every day. The Fed can take on loans from Bear Stearns. But its capacity for intervention is limited.The second factor "is that governments cannot control where financial transactions occur." This is not entirely a new thing: In his work on the Mediterranean in the 16th and 17th centuries, the French historian Fernand Braudel wrote, "Capitalism laughs at frontiers." But the statism inaugurated in response to the world wars of the 20th century erected some pretty strong barriers against capital and currency movements. I remember that in the early years of Harold Wilson's first Labor government, in 1964 or 1965, the United Kingdom prohibited its citizens from taking more than £100 out of the country. Imagine if a major government tried to do that today! The government would have to confiscate the credit and debit cards of every outgoing traveler. The Bretton Woods structure that was set up by John Maynard Keynes and others after World War II—fixed-exchange controls pegged to the dollar, GATT, and the IMF—worked pretty well for a quarter century, until it was abruptly dismantled by Richard Nixon and John Connally in August 1971, and depended on government control of the flows of money, which simply could not occur today. A world accustomed to global depression and world war was willing to accept such controls. Ours isn't.Wallison's third point is that "financial innovations are making private risk management more effective than government regulation." He points especially to credit default swaps that enable private parties to slough off risk onto other private parties. Trying to set up a regulatory mechanism to achieve the same goals, he argues, would be impossible and would almost certainly have unfortunate side effects. Banks are currently much more heavily regulated than investment banks (and for good reason), he points out; but banks were hit as badly by the subprime crunch as investment banks. In his conclusion, Wallison quotes the warning against overregulation by New York Fed President Timothy Geithner (a Clinton appointee, by the way) and goes on:Regulatory policy, then, as Geithner suggests, should focus on things markets themselves cannot solve, not on those problems markets—and market discipline—can effectively address. This means policies that enhance transparency to make market discipline more effective, avoid moral hazard and encourage the development of clearinghouses for [credit default swaps]. Above all, it means that government regulatory policies should not make things worse by failing to recognize government's own limitations in an era when private markets have grown so large.This seems to me to get things right. Government clearly has a role in establishing regulations that structure financial markets, just as it has a role in enforcing contracts and proscribing fraud. But government can't force financial institutions to make only good bets.

### Auto Industry not key Alt Causes

#### Other industries contribute way more to GDP and jobs-Travel and Tourism proves

Toby Nicol, Communications Director- World Travel and Tourism Council, 4-18-2012, “Travel & Tourism Larger Industries than Automobile Manufacturing,” World Travel and Tourism Council, <http://www.wttc.org/news-media/news-archive/2012/travel-tourism-larger-industry-automotive-manufacturing/>, OW

The global Travel & Tourism industry is double the size of automotive manufacturing and roughly one-third larger than chemicals manufacturing.¶ This is according to new research from the World Travel & Tourism Council (WTTC) sponsored by American Express, launched on the eve of WTTC’s 12th Global Summit in Tokyo, Japan.¶ The research, undertaken by Oxford Economics, shows that the sector’s direct contribution to world GDP of US$2 trillion (2.8%) is more than double the GDP of automotive manufacturing and one-third larger than the global chemicals industry. Travel & Tourism generates roughly the same GDP as the global education and communications sectors, and about half that of the global banking and financial services industry.¶ The sector’s total contribution to world GDP (taking direct, indirect and induced impacts into account) of US$6.3trillion (9.1%) in 2011 compares with 8% contribution of automotive manufacturing and mining.¶ Travel & Tourism directly contributes more to GDP than automotive manufacturing in every region of the world, three times more in the Americas and twice as much in Europe. The sector’s contribution to GDP is larger than the chemicals industry in every world region except Asia.¶ In terms of employment, the importance of the sector is even more pronounced. After education, Travel & Tourism is the top job creator with an average of 50 jobs generated by US$1 million in spend, this is twice as many jobs as created by financial services, communications and auto manufacturing.¶ In 2011, 98 million people were directly employed by Travel & Tourism. This is: • 6 times more than automotive manufacturing • 5 times more than the global chemicals industry • 4 times more than the global mining industry • 2 times more than the global communications industry • A third more than the global financial services industry¶ Taking the indirect and induced employment into account, Travel & Tourism sustained 255 million jobs in 2011, 1 in 12 of all jobs in the world. This exceeds the jobs impact of automotive manufacturing, chemicals manufacturing and mining and is slightly less than education, communications and financial services.¶ Travel & Tourism directly sustains more jobs than the automotive and chemicals manufacturing industries combined across every region of the world. Employment by the sector in Europe—reaching 10 million in 2011—exceeds automotive manufacturing by a factor of three; and in Asia, there are 7 times as many tourism jobs as auto manufacturing jobs and 5 times as many chemicals manufacturing jobs.¶ In every region of the world, Travel & Tourism directly sustains more jobs than the financial services, communications, and mining industries.¶ All sectors stimulate activity across the rest of the economy. In 18 out of the 20 economies analysed, a new dollar in Travel & Tourism generates 20% more for the wider economy than the average of all sectors. Travel & Tourism also outperforms the majority of the key sectors we analysed in terms of generating GDP across the entire economy.¶ As the 12th WTTC Global Summit in Tokyo kicks off, the research also highlights the importance of Travel & Tourism in Japan in a special report focusing on the country. The analysis shows that while the industry’s direct contribution to Japan’s GDP is three –quarters the size of the automotive manufacturing sector, Travel & Tourism directly generates over 80% more jobs.¶ David Scowsill, President and CEO, WTTC said:¶ “These numbers are extremely significant. For over twenty years, the World Travel & Tourism Council has spearheaded global analysis of the economic impact of Travel & Tourism. WTTC has now taken this research one step further and assessed the role Travel & Tourism plays in the world economy in comparison to other economic sectors.¶ “The results are extraordinary. Within our industry we have always known that Travel & Tourism is a vast contributor to economic growth and job creation. These figures bear out just how significant – twice the size of the global automotive manufacturing sector; employing one third more people than the global financial services industry.¶ “These figures prove beyond any doubt that it is time that the world’s Governments really sit up and take notice of the Travel & Tourism industry. As a driver of economic recovery and growth in a very turbulent time, the industry stands apart for the sheer scale of its ability to create jobs and growth in every part of the globe.”¶ Bill Glenn, President Global Corporate Payments and Global Business Travel, American Express, said:¶ “More than any other, the travel industry drives commerce and business, facilitates connections and enables tourism and adventure. American Express has a proud heritage of more than 160 years in travel and we’re pleased to support this new research with the WTTC to ensure that travel stays vibrant and vital for many years to come.”

#### Aerospace is more key to U.S. economy

Mary Trupo, Senior Advisor and Director of Public Affairs-International Trade Administration, 6-21-2011, “Aerospace Industry is Critical Contributor to U.S. Economy According to Obama Trade Official at Paris Air Show,” International Trade Administration, <http://trade.gov/press/press-releases/2011/aerospace-industry-critical-contributor-to-us-economy-062111.asp>, OW

PARIS – Francisco Sánchez, Under Secretary of Commerce for International Trade, addressed national and international groups at the 2011 Paris Air Show to reinforce the President’s National Export Initiative (NEI) and support the U.S. aerospace industry.¶ “The U.S. aerospace industry is a strategic contributor to the economy, national security, and technological innovation of the United States,” Sánchez said. “The industry is key to achieving the President’s goals of doubling exports by the end of 2014 and contributed $78 billion in export sales to the U.S. economy in 2010.”¶ During the U.S. Pavilion opening remarks, Sánchez noted that the aerospace sector in the United States supports more jobs through exports than any other industry. Sánchez witnessed a signing ceremony between Boeing and Aeroflot, Russia’s state-owned airline. Aeroflot has ordered eight 777s valued at $2.1 billion, and the sales will support approximately 14,000 jobs.¶ “The 218 American companies represented in the U.S. International Pavilion demonstrate the innovation and hard work that make us leaders in this sector,” said Sánchez. “I am particularly pleased to see the incredible accomplishments of U.S. companies participating in the Alternative Aviation Fuels Showcase, which demonstrates our leadership in this important sector and shows that we are on the right path to achieving the clean energy future envisioned by President Obama.”¶ The 2011 Paris Air Show is the world’s largest aerospace trade exhibition, and features 2,000 exhibitors, 340,000 visitors, and 200 international delegations. ¶¶ The U.S. aerospace industry ranks among the most competitive in the world, boasting a positive trade balance of $44.1 billion – the largest trade surplus of any U.S. manufacturing industry. It directly sustains about 430,000 jobs, and indirectly supports more than 700,000 additional jobs. Ninety-one percent of U.S. exporters of aerospace products are small and medium-sized firms.

# Advanced Manufacturing

### UQ

#### Advanced manufacturing high – new tech and intiatives

Virtual-Strategy Magazine 2012 “SPIE Lauds U.S. Advanced Manufacturing Investment, Notes Photonics will be Driver” 7/24/12 <http://www.virtual-strategy.com/2012/07/24/spie-lauds-us-advanced-manufacturing-investment-notes-photonics-will-be-driver#t3DegTLkQffezIrg.99>

New U.S. initiatives to boost advanced manufacturing capability will be sound investments and a good use of the country’s photonics R&D, leaders of SPIE, the international society for optics and photonics, said this week. The comments followed release of a new report by the 18-member steering committee of the Advanced Manufacturing Partnership (AMP) that was launched by President Obama in June 2011. The Report to the President on Capturing Competitive Advantage in Advanced Manufacturing was formally adopted 18 July by the President’s Council of Advisors on Science and Technology. The report addresses needs in three broad categories: -enabling innovation -securing the talent pipeline -improving the business climate. “Photonics technologies are already the enablers behind advanced manufacturing, yet we are so far seeing only a thin slice of their full potential to drive growth and create new high-skilled jobs,” said SPIE CEO Eugene Arthurs. “Countries such as Germany and Korea that have invested heavily in photonics R&D are demonstrating the competitive advantage of these technologies through their lead positions in advanced manufacturing.” “Photonics applications are exactly the sort of cross-cutting technologies that the report sees as ‘vital to advance manufacturing’,” said Robert Lieberman, chair of the SPIE committee on Engineering, Science, and Technology Policy (ESTeP). “Photolithography and machine vision are just two examples. Without photonic technology, computer chips could not be fabricated, and the robots in advanced manufacturing plants would be blind. Even the ubiquitous ‘date stamps’ on bottles and cans would disappear.” In addition, Arthurs and Lieberman cited technologies such as laser sintering, stereolithography, and electron beam melting applications in 3D printing for the rapid prototyping and manufacture of lighter-weight, higher-quality parts for airplanes and automobiles, and of better-performing and more comfortable hearing aids and joint implants. Light-emitting-diodes (LEDs) and holography provide highly reliable information for quality control, and optical systems use lasers to precisely cut, weld, and align manufacturing equipment that produces more accurate finished products. “With these photonics applications, the results coming out of the manufacturing process are safer, more energy-efficient cars, more accurate medical equipment, and other life-enhancing innovations,” Arthurs said. “The results for society are new better-paying, higher-satisfaction jobs and a stronger, more stable economy.” An interagency Advanced Manufacturing National Program Office (AMNPO) has already been established by the administration to coordinate federal manufacturing resources and programs and to foster the creation of private-public partnerships focused on manufacturing innovation. The new office, which is hosted by the National Institute of Standards and Technology (NIST), is acting on the AMP Steering Committee recommendation to establish a national network of manufacturing innovation institutes. In his budget for fiscal year 2013, President Obama proposed a one-time, $1 billion investment to build the National Network for Manufacturing Innovation, consisting of up to 15 regional innovation institutes. Through regional workshops and other means, the AMNPO is now gathering public input on the design of the proposed network. SPIE is the international society for optics and photonics, a not-for-profit organization founded in 1955 to advance light-based technologies. The Society serves nearly 225,000 constituents from approximately 150 countries, offering conferences, continuing education, books, journals, and a digital library in support of interdisciplinary information exchange, professional growth, and patent precedent. SPIE provided over $2.7 million in support of education and outreach programs in 2011.

#### Advanced manufacturing inevitable – new act

Accounting 2012 – “House Democrats Propose Manufacturing Tax Credit Expansion” 7/26/12 <http://www.accountingtoday.com/news/house-democrats-congress-manufacturing-tax-credit-clean-energy-bonds-63415-1.html>

The American Advanced Energy Manufacturing Jobs Act of 2012, introduced by Rep. Mike Thompson, D-Calif., extends and expands the 48C Advanced Energy Manufacturing Tax Credit. The bill would uncap the credit for certain advanced manufacturing—solar, fuel cell and battery—and provide a $3 billion capped credit for other manufacturing. H.R. 6206: The Build America Bonds Act, introduced by Rep. Richard Neal, D-Mass., would help finance state and local capital projects, including schools, transportation infrastructure, and public safety facilities and equipment, which build infrastructure and create jobs. The American Advanced Energy Manufacturing Jobs Act and the Build America Bonds Act are the sixth and seventh measures introduced in recent weeks as part of House Democrats’ No Excuses agenda as they try to encourage Republicans to act on measures to spur job growth. Other bills in the package include the Wind Powering American Jobs Act, the Hire Now Act, Invest in America Now Act, Investing in American Innovation Act of 2012, and The Bring Jobs Home Act. “These are proven programs that are vital in our effort to rebuild America’s infrastructure—and economy,” said Ways and Means ranking member Sander Levin, D-Mich., in a statement. “The 48C Advanced Energy Manufacturing Tax Credit provides a direct incentive to manufacture advanced energy products like solar panels and wind turbines here in the United States and keeps the American renewable energy industry globally competitive. Renewing Build America Bonds will provide the financing necessary for state and local governments to rebuild crumbling infrastructure and schools. There is no excuse to delay action.” The American Advanced Energy Manufacturing Jobs Act of 2012 is offset by repealing two provisions relating to major integrated oil companies. It would modify the rules that allow oil companies a foreign tax credit against their U.S. taxes to the extent that it pays income tax to a foreign government. The bill would also eliminate the expensing of intangible drilling costs. The Build America Bonds program was created in 2009 by the American Recovery and Reinvestment Act and expired at the end of 2010. The bill restores BABs and makes them permanent. For 2012, the subsidy rate for the bonds is set at 32 percent. The subsidy rate is reduced by one percentage point each year until it reaches a permanent rate of 28 percent in 2016. BABs spur job creation and unleash private-sector investments by helping state and local governments finance infrastructure projects—building schools, hospitals, transit systems, and water systems. This bill is offset by repealing the Section 199 manufacturing deduction for major integrated oil producers.

### Advanced Manufacturing – Alt Causes

#### Hollowing out of US manufacturing means decline is inevitable.

Levinson 2013 “Hollowing Out” in U.S. Manufacturing: Analysis and Issues for Congress Marc Levinson Section Research Manager April 15, 2013 http://www.fas.org/sgp/crs/misc/R41712.pdf

Recent data, however, challenge the belief that the manufacturing sector, taken as a whole, will continue to flourish. Unlike previous expansions, the two most recent cyclical upturns in the U.S. economy have generated few jobs in manufacturing. Moreover, statistics suggest that domestic value represents a diminishing share of the value of U.S. factory output. One interpretation of these data is that manufacturing is “hollowing out” as companies undertake a larger proportion of their high-value work abroad. These developments raise the question of whether the United States will continue to generate highly skilled, high-wage jobs related to advanced manufacturing.

### Advanced Manufacturing No Solvency

#### No solvency for competitiveness – lack of human capital

Gerber and Valencia et al, 11 (January 24, the Director of the Center for Latin American Studies (CLAS) and a Professor of Economics at San Diego State University, Associate Professor, School of Transborder Studies, Senior Sustainability Scientist, Global Institute of Sustainability Affiliate, North American Center for Transborder Studies, Director of the Research Network for Transborder Development and Governance, Global Economy Journal, 10.4, Article 5, “Re-Imagining the U.S.-Mexico Border: Policies toward a More Competitive and Sustainable Transborder Region” <http://www.degruyter.com.proxy.lib.umich.edu/view/j/gej.2011.10.4/gej.2011.10.4.1681/gej.2011.10.4.1681.xml?format=INT)//YS>, accessed 6/28/13

In addition to institutional gaps that hold back the region’s competitiveness, there are human capital gaps as well. These too, are infrequently addressed. Table 5 shows the share of the population 25 years old and over, with 12 or more and 16 or more years of schooling, as measured by the 2000 U.S. and Mexican censuses. In order for firms to produce higher value added manufactured goods, they must have a labor force with advanced levels of literacy. This usually requires a high school education or beyond, and is one of the key characteristics that the World Bank identified as a component of successful East Asian export economies (World Bank, 1993). Firms that located in South Korea or Malaysia were assured that they could recruit workers with the advanced literacy skills that were required by their manufacturing processes. Mexico’s standard for school leaving is 9th grade, while in the U.S. it is 12th grade. Consequently, there is inadequate high school capacity in Mexico, and its percentage of the adult population that has completed high school is far below OECD standards. While younger cohorts are graduating from the equivalent of high school at higher rates, Mexico is still at the bottom of the OECD and is below several Latin American countries of similar income.6 The differences between its border regions (states or municipios) slightly favor the border (with the exception of college education in border municipios), but it remains low by world standards. In the U.S., border counties and states have significantly less high school educated labor, although border states have slightly more college educated adults. The implication of Table 5 is that the aspirations for a knowledge-based economy expressed by key informants in the Delphi study conducted for the Border Governors Conference face significant obstacles, partly for reasons that have little or nothing to do with the border.

#### No solvency – security issues need to come first

Gerber and Valencia et al, 11 (January 24, the Director of the Center for Latin American Studies (CLAS) and a Professor of Economics at San Diego State University, Associate Professor, School of Transborder Studies, Senior Sustainability Scientist, Global Institute of Sustainability Affiliate, North American Center for Transborder Studies, Director of the Research Network for Transborder Development and Governance, Global Economy Journal, 10.4, Article 5, “Re-Imagining the U.S.-Mexico Border: Policies toward a More Competitive and Sustainable Transborder Region” <http://www.degruyter.com.proxy.lib.umich.edu/view/j/gej.2011.10.4/gej.2011.10.4.1681/gej.2011.10.4.1681.xml?format=INT)//YS>, accessed 6/28/13

There are numerous proposals for “new border trade systems,” “competitive and sustainable development,” “a prosperous and secure relationship,” “sustainable security and competitiveness,” and “cooperative solutions to common problems.” The authors of these proposals make serious points and each of them is worth reading. There are dozens of concrete steps that might be taken and many of the ideas appear to be realistic and reasonable. However, in the current climate of terrorist fears, narco-violence, and migration worries, any way forward must begin from the proposition that, for better or worse, in the current historical moment, security issues trump all others.8 This is why the Bush Administration was able to obtain an environmental waiver for its border fence, why traffic grinds to a halt and waits (and waits) at the border, why gang members are dumped in Mexican border cities, and why new inspection systems on southbound traffic seem poised to create the same bottlenecks that northbound travelers experience.

### Competitiveness Loss Inevitable

#### Loss of relative competitiveness is inevitable, other countries are gaining in the race for human capital, even reforms won’t solve the real problems

Shachar, faculty of law, university of Toronto, 2006 ( Shachar, Ayelet, "Symposium: a Tribute to the Work of Kim Barry: the Construction of Citizenship in an Emigration Context: Symposium: the Race for Talent: Highly Skilled Migrants and Competitive Immigration Regimes" 81 N.Y.U.L. Rev. 148, Lexis)

How have we come to this? Initially, the United States enjoyed the lion's share of international knowledge migration; there was little competition in attracting and retaining foreign-born professionals. n66 But the trend has changed dramatically in recent years. We are now witnessing a growing reliance on competitive migration policies by leading industrialized countries. Over the last decade, policy changes by most OECD countries have led to the establishment of specific and often fast-track entry streams designed to encourage the recruitment of knowledge migrants. n67 In other words, unlike in the past, highly skilled migrants now have more destination countries to choose from. Even better, from the perspective of a prospective knowledge migrant, each of these destination countries is eager to attract talent and willing to provide a host of generous benefits. n68 The global race for talent has further intensified with the introduction of "repatriation" incentives for emigrant professionals abroad, especially leading scientists, to return to their countries of origin. n69 The biggest success stories on this front are Taiwan and South Korea, which have invested heavily in infrastructure development and generous economic compensation for their returning highly skilled emigrants. n70 Ireland too has become a magnet for returning emigrants based on its impressive economic performance - which [\*168] itself is largely driven by Ireland's flourishing knowledge-based industries. n71 Another pattern is emerging in high-tech centers such as Israel where many of the local knowledge-industry workers engage in transnational networking and "brain circulation" through temporary migration, involving a number of years of studying and working outside Israel, typically in the United States. n72 These highly skilled and high-earning individuals typically retain their home citizenship and upon return provide world-class experience and important networking connections for domestic start-up businesses. Add to these existing patterns the fact that no one can fully assess the extent to which the rapid economic and infrastructural developments in China and India will generate new opportunities for return migration and entrepreneurial investment by highly skilled migrants from around the world, further raising the bar of the race for talent. n73 The [\*169] overall trend, however, is indisputable: **We are witnessing a dramatically increased worldwide competition for knowledge migrants.** This new openness towards skilled migrants in many parts of the world stands in sharp contrast with the stricter post-9/11 entry regulations and cumbersome security-motivated tracking systems (such as the Student and Exchange Visitor Information System, or SEVIS) now imposed by the United States upon foreign students, researchers, and other skilled workers. n74 This comes at a time when other countries have been removing administrative barriers to hiring foreign-born students after they have completed their advanced degrees (a trend that in recent years has swept the leading EU destination countries, such as France, Germany, and the United Kingdom). n75 In a global competitive environment, this implies that leading European countries are "experiencing somewhat of a 'windfall' ... as a result of the U.S. pre-occupation with security screenings and the less welcoming attitude toward nationals from a large number of countries." n76 These developments fit within a broader trend whereby America - the birthplace of the race for talent - has now fallen behind its international rivals.

### Competitiveness False

#### Competitiveness is not key to heg or the economy

Krugman 94 (Paul, Professor of Economics – Massachusetts Institute of Technology, “Competitiveness: A Dangerous Obession”, Foreign Affairs, March / April, Lexis)

Unfortunately, his diagnosis was deeply misleading as a guide to what ails Europe, and similar diagnoses in the United States are equally misleading. The idea that a country's economic fortunes are largely determined by its success on world markets is a hypothesis, not a necessary truth; and as a practical, empirical matter, that hypothesis is flatly wrong. That is, it is simply not the case that the world's leading nations are to any important degree in economic competition with each other, or that any of their major economic problems can be attributed to failures to compete on world markets. The growing obsession in most advanced nations with international competitiveness should be seen, not as a well-founded concern, but as a view held in the face of overwhelming contrary evidence. And yet it is clearly a view that people very much want to hold -- a desire to believe that is reflected in a remarkable tendency of those who preach the doctrine of competitiveness to support their case with careless, flawed arithmetic. This article makes three points. First, it argues that concerns about competitiveness are, as an empirical matter, almost completely unfounded. Second, it tries to explain why defining the economic problem as one of international competition is nonetheless so attractive to so many people. Finally, it argues that the obsession with competitiveness is not only wrong but dangerous, skewing domestic policies and threatening the international economic system. This last issue is, of course, the most consequential from the standpoint of public policy. Thinking in terms of competitiveness leads, directly and indirectly, to bad economic policies on a wide range of issues, domestic and foreign, whether it be in health care or trade.

#### Competitiveness theory is wrong, it’s not zero sum, it’s a hype, and there’s no guarantee of a problem

Galama and Hosek, Rand national defense research institute, 2008 ( Galama, titus and Hosek, James, "U.S. Competitiveness in Science and Technology" <http://www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA482598&Location=U2&doc=GetTRDoc.pdf>)

Despite the rhetoric and the intensive action on the Hill, some voices called for restraint. The reports and testimony making a case for or arguing against an S&T crisis are part of an ongoing policy debate. One line of counterargument is that such war**nings are far from unprecedented and have never resulted in the crisis anticipated.** The author of a Washington Watch article noted that “similar fears of a STEM6 workforce crisis in the 1980s were ultimately unfounded” (Andres, 2006). Neal McCluskey, a policy analyst from the Cato Institute, noted that similar alarm bells were sounded decades earlier (and in his view, have had underlying political agendas): Using the threat of international economic competition to bolster federal control of education is nothing new. It happened in 1983, after the federally commissioned report A Nation at Risk admonished that ‘our once unchallenged preeminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world,’ as well as the early 1990s, when George Bush the elder called for national academic standards and tests in order to better compete with Japan. (McCluskey, 2006) Roger Pielke of the University of Colorado observed that such issues as poor student performance have an even longer history, with no negative outcomes. Arguments that “certain other countries produce a greater proportion of scientist and engineering students or that those students fare better on tests of achievement . . . have been made for almost 50 years,” he stated, “yet over that time frame the U.S. economy has done quite well” (Pielke, 2006). Another opposing view suggests that fears of a looming S&T crisis may result from a misunderstanding of concepts driving the issue. The July 2006 Economist noted the “wide range of potential remedies” being suggested to the purported S&T problem, which include “getting more Americans to study science and engineering, bigger tax breaks for research and development, and trade protection to prevent the innovative hordes from China and India from storming America’s gates” (The Economist, 2006). The piece continues by citing a new paper by Amar Bhidé, of Columbia University’s business school, who argues that these supposed remedies, and the worries that lie behind them, are based on a misconception of how innovation works and of how it contributes to economic growth. . . .This consists, first, of paying too much attention to the upstream development of new inventions and technologies by scientists and engineers, and too little to the downstream process of turning these inventions into products that tempt people to part with their money, and, second, of the belief that national leadership in upstream activities is the same thing as leadership in generating economic value from innovation. . . . Mr Bhidé argues that this downstream innovation . . . is the most valuable kind and what America is best at . . . that most of the value of innovations accrues to their users not their creators—and stays in the country where the innovation is consumed. So if China and India do more invention, so much the better for American consumers. (The Economist, 2006) In work published over a decade ago, economist Paul Krugman questions whether the notion of competition in S&T is even relevant. He argues that the idea that nations “compete” is incorrect; countries are not like corporations and “are [not] to any important degree in economic competition with each other” (Krugman, 1994). Major industrial nations sell products that compete with each other, yet these nations are also each other’s main export markets and each other’s main suppliers of useful imports. More broadly, international trade is not a zero-sum game. For example, if the European economy does well, this helps the United States by providing it with larger markets and goods of superior quality at lower prices. Further, he argues that the growth rate of U.S. living standards essentially equals the growth rate of domestic productivity, not U.S. productivity relative to competitors; and enhancing domestic productivity is in the hands of Americans, not foreigners. Part of the reason for this, Krugman argues, is that the world is not as interdependent as one would think: 90 percent of the U.S. economy consists of goods and services produced for domestic use, i.e., produced by Americans, for Americans. But this is not to deny the importance of technological progress, and beneath it, science and technology, as a determinant of economic progress and improvement in the standard of living. In general, critics agree that more careful evaluation of the data is in order before new policies are implemented: Some beltway insiders are questioning the need for [STEM workforce] initiatives, given the difficulty in predicting future workforce demands and graduation rates. . . . [T]he current bipartisan support for new, expensive initiatives comes before contradictory projections about the STEM workforce have been fully reconciled. **Why are so many business leaders and decisionmakers motivated to address a workforce innovation ‘crisis’ that might not develop?** (Andres 2006)

#### Competitiveness is not zero sum

Wildavsky, sr. fellow resarch and policy, Kauffman foundation, 8/11/10 ( Wildavsky, Ben, author of The great Brain Race: How Global Universities are Reshaping the World, "Do we Have to Be No. 1?" http://www.forbes.com/2010/08/01/higher-education-graduation-opinions-best-colleges-10-wildavsky.html

If we succeed in preparing more students for college, enrolling more students in college and--an essential "and"--graduating more students from college, this would be a huge accomplishment for our citizens and our nation. If other countries can do this as well, more power to them. The same is true, as I argue in The Great Brain Race, about the efforts of other nations to create world-class universities that can compete with the best in the West. Once we understand that increasing knowledge is not a zero-sum game, improved education in other countries ought to be viewed as a net plus for the world's human capital and prosperity, hence an opportunity for the United States, not a threat. It can be argued that the rhetoric of competitiveness and world dominance shouldn't be read too literally. Perhaps we should simply view it as a rallying cry, a spur to greater efforts. Everybody understands that such audacious college attainment goals are intended to be aspirational; they certainly aren't reachable in such a short period. But there's an important distinction to be made between using the educational progress of other nations as an informative reference point and assuming that our work is not done unless and until we are in the lead.

#### No risk of being overtaken

Galama & Hosek 8 [Titus Galama, James Hosek. “U.S. Competitiveness in Science and Technology” The RAND Corporation. 2008. Page xxii]

The United States still leads the world in science and technology. The United States accounts for 40 percent of total world R&D spending, 38 percent of industrialized nations’ (OECD countries) triadic patents, and employs 37 percent of OECD researchers (1.3 million FTE). It produces 35 percent, 49 percent, and 63 percent of world publications, citations, and highly cited publications, employs 70 percent of the world’s Nobel Prize winners, 66 percent of its most cited individuals, and is home to 75 percent of the world’s top 20 and top 40 universities and 58 percent of its top 100. R&D spending is rapidly increasing in developing nations such as China and Korea. But despite this rapid growth, the U.S. share of world R&D spending (dollars at PPP) fell only by 1.5 percent to 36.1 percent between 1993 and 2003, while the EU-15 and Japan lost significant ground. In absolute terms, the United States increased its R&D spending by $126.3 billion (nominal value at PPP), from $166.1 billion in 1993 to $292.4 billion in 2003. This increase is more than in any other region: Over the same period, the EU-15 added $76.6 billion, Japan added $38.3 billion, and China added $60.8 billion. S&T employment is not growing more rapidly in other nations/ regions than in the United States, though China showed remarkable growth. The United States added a large number of researchers (299,000) between 1995 and 2003, suggesting a vibrant R&D sector. At the same time, China added nearly as many (289,000), the EU-15 added 220,000, and Japan added 95,000. Both the EU-15 and China graduated more scientists and engineers than the United States. While developing nations (China and India in particular) are starting to account for a significant portion of the world’s S&T inputs and activities (R&D funding in dollars at PPP, research jobs, S&T education, etc.) and are showing rapid growth in outputs and outcomes, they still account for a very small share of triadic patents, S&T publications, and citations. Innovation and scientific discovery are still led by the United States, EU 15, and Japan. The United States did lose 3 percentage points in its world share in publications, citations, and top 1 percent highly cited publications between 1993–1997 and 1997–2001. But on measures such as additions to the S&T workforce and patented innovations, U.S. growth in S&T was in line with or above average world trends. By comparison, Japan grew more slowly in additions to the S&T workforce, and both the EU-15 and Japan had slower growth in patented innovations. High growth in R&D expenditures, employment of scientists and engineers, and patents suggests that U.S. S&T has remained vigorous. These U.S. developments occur at a time when increases (though at different rates) in each of these measures are also seen in the EU-15, Japan, China, Korea, and many other nations/regions. In other words, strong growth of R&D activity, S&E employment, and innovation in many countries suggests a future of significant innovation activity, and, because of the greater diffusion of technology in a globalized world, the promise of economic growth for those nations that are capable of absorbing (making economic use of) the new technology. Scientifically advanced nations and regions such as the United States, the EU, and Japan are highly capable of implementing new technology and will benefit from it. Developing nations such as China and India have partial capability, but are well ahead of Latin America, the Middle East, and Africa. Though, as we will discuss in more detail later, developing nations can continue to grow their economies rapidly by absorbing existing technology in addition to new technology.

#### No impact – we can absorb tech

Galama & Hosek 8 [Titus Galama, James Hosek. “U.S. Competitiveness in Science and Technology” The RAND Corporation. 2008. Page xxii]

The rise of R&D and innovation activity in other nations suggests that the pool of technology created outside the United States may be growing more rapidly than in the past, and given U.S. capability to utilize new technology, the United States is likely to benefit from this technology. This is true regardless of the fact that most goods and services consumed in the United States are produced in the United States; approximately 90 percent of gross national product is domestic. Technology does not depend on trade to be transmitted from one country to another. In addition, the United States can continue to rely on its own inventive activity (we discuss below whether globalization impacts the United States’ ability to invent and innovate). There is no reason to believe that the globalization of S&T and the rise of other nations affects the capability of the United States to absorb and apply new technology directly, as this capability is to a large extent determined by business incentives, consumers’ willingness to try new technologies, and the legal and regulatory framework. Some technology applications may not require much S&T capacity, or much knowledge of S&T within the user community or the general public. For example, solar collectors or filters for water purification can significantly enhance the productivity of workers in a developing country without the need for workers to understand their workings. But many technology applications do require S&T capacity (Silberglitt et al., 2006a, 2006b). Rural wireless communications requires little S&T capacity. Radio frequency identification (RFID) tagging, on the other hand, requires some basic knowledge and some industrial sophistication. And, ubiquitous information access, pervasive sensors, and wearable computers require substantial infrastructure and a high degree of sophistication. An advanced S&T capacity enables developed countries to implement a wide range of new technology, and, by the same token, the absence of such capacity helps to explain why developing nations may be slower to implement certain technology. Further, improvements in developing countries’ capacity to absorb technology will not undercut U.S. capacity to absorb technology. But some production may shift to these countries if they can produce more cheaply with their newly adopted technology than other countries, and the freed-up resources in the other countries will need to be reallocated to other uses.

### Tech Competitiveness false

#### Tech innovation isn’t zero sum – the US benefits regardless of the origin of ideas

Amar Bhidé, Glaubinger Professor of Business at Columbia University, Winter 2009, “The Venturesome Economy: How Innovation Sustains Prosperity in a More Connected World,” Journal of Applied Corporate Finance, Vol. 2, No. 1

Any catch-up, even if it takes place gradually and in the normal course of development, will to some degree reduce the U.S. “lead.” Furthermore, the global influence of techno-nationalism could accelerate this process. As alarmists in the U.S. continue to remind us, governments in “emerging” countries such as China and India—also in the thrall of techno-nationalist thinking—are making a determined effort to leap ahead in cutting-edge science and technology. But I am skeptical that these efforts are going to do any more good for China’s and India’s economy than similar efforts in Europe and Japan in the 1970s and 1980s.21 But putting aside the issue of whether investing in cutting-edge research represents a good use of Chinese and Indian resources, does whatever erosion of U.S. primacy in developing high-level know-how this might cause really threaten U.S. prosperity? Should the U.S. government respond in kind by putting even more money into research? Nobel laureate Paul Krugman has long decried what he refers to as the “dangerous obsession” with “national competitiveness.” As Krugman wrote in a 1994 article in Foreign Affairs, the widespread tendency to think that “the United States and Japan are competitors in the same sense that Coca-Cola competes with Pepsi” is “flatly, completely and demonstrably wrong.” Although “competitive problems could arise in principle, as a practical, empirical matter,” Krugman goes on to say, “the major nations of the world are not to any significant degree in economic competition with each other.”22 The techno-nationalist claim that U.S. prosperity requires that the country “maintain its scientific and technological lead” is particularly dubious: the argument fails to recognize that the development of scientific knowledge or cutting-edge technology is not a zero-sum competition. The results of scientific research are available at no charge to anyone anywhere in the world. Most arguments for the public funding of scientific research are in fact based on the unwillingness of private investors to undertake research that cannot yield a profit. Cutting-edge technology (as opposed to scientific research) has commercial value because it can be patented; but patent owners generally don’t charge higher fees to foreign licensors. The then tiny Japanese company Sony was one of the first licensors of Bell Labs’ transistor patent. Sony paid all of $50,000—and only after first obtaining special permission from the Japanese Ministry of Finance—for the license that started it on the road to becoming a household name in consumer electronics. Moreover, if patent holders choose not to grant licenses but to exploit their inventions on their own, this does not mean that the country of origin secures most of the benefit at the expense of other countries. Suppose IBM chooses to exploit internally, instead of licensing, a breakthrough from its China Research Laboratory (employing 150 research staff in Beijing). This does not help China and hurt everyone else. Rather, as I discuss at length later, the benefits go to IBM’s stockholders, to employees who make or market the product that embodies the invention, and—above all—to customers, who secure the lion’s share of the benefit from most innovations. These stockholders, employees, and customers, who number in the tens of millions, are located all over the world. In a world where breakthrough ideas easily cross national borders, the origin of ideas is inconsequential. Contrary to Thomas Friedman’s assertion, it does not matter that Google’s search algorithm was invented in California. After all, a Briton invented the protocols of the World Wide Web—in a lab in Switzerland. A Swede and a Dane in Tallinn, Estonia, started Skype, the leading provider of peer-to-peer Internet telephony. How did the foreign origins of these innovations harm the U.S. economy?

### AT: Competitiveness key to Heg

#### Loss of competitiveness won’t allow rival powers overthrow unipolarity- their progress is unsustainable

Salam Research Associate CFR ‘9 (Reihan-, Jan. 21, The American Scene, “Robert Pape Is Overheated”, http://www.theamericanscene.com/2009/01/21/ robert-pape-is-overheated)

Pape spends a lot of time demonstrating that U.S. economic output represents a declining share of global output, which is hardly a surprise. Yet as Pape surely understands, the more relevant question is how much and how readily can economic output be translated into military power? The European Union, for example, has many state-like features, yet it doesn’t have the advantages of a traditional state when it comes to raising an army. The Indian economy is taxed in a highly uneven manner, and much of the economy is black — the same is true across the developing world. As for China, both the shape of the economy, as Yasheng Huang suggests, and its long frontiers, as Andrew Nathan has long argued, pose serious barriers to translating potential power into effective power. (Wohlforth and Brooks give Stephen Walt’s balance-of-threat its due.) So while this hardly obviates the broader point that relative American economic power is eroding — that was the whole idea of America’s postwar grand strategy — it is worth keeping in mind. This is part of the reason why sclerotic, statist economies can punch above their weight militarily, at least for a time — they are “better” at marshaling resources. Over the long run, the Singapores will beat the Soviets. But in the long run, we’re all dead. And given that this literature is rooted in the bogey of long-term coalition warfare, you can see why the unipolarity argument holds water. At the risk of sounding overly harsh, Pape’s understanding of “innovativeness” — based on the number of patents filed, it seems — is crude to say the least. I recommend Amar Bhidé‘s brilliant critique of Richard Freeman, which I’ll be talking about a lot. Pape cites Zakaria, who was relying on slightly shopworn ideas that Bhidé demolishes in The Venturesome Economy. The “global diffusion of technology” is real, and if anything it magnifies U.S. economic power. “Ah, but we’re talking about the prospect of coalition warfare!” The global diffusion of technology is indeed sharply raising the costs of military conquest, as the United States discovered in Iraq. The declining utility of military power means that a unipolar distribution of military power is more likely to persist. And yes, it also means that unipolar military power is less valuable than it was in 1945.

#### No impact to loss of technological leadership – location of development is irrelevant

Bhide, Amar, economist's best books of 2008, 2008 ( Bhidé, Amar, The Venturesome Economy, p.285)

If consumers capture the lion's share of the value of new products and services, why should the United States lose if its share of the high-level research declines? The North-South models invoked by techno-nationalists raise the specter of loss of national incomes derived from mid- and ground-level know-how development and the ongoing production of new products. The models implicitly assume that all these activities—mid- and ground-level development and ongoing production—are undertaken in the same place as the high-level research. Such co-location may have been common long ago (and may remain so in some industries), but it is no longer the norm in a wide range of industries, including most sectors of the high-tech industry. For many decades, high-level breakthroughs have nourished the development and ongoing production of innovative products in remote locations. Why, then, should an erosion in the U.S. share of high-level breakthroughs that results from an expansion in the world's supply of such breakthroughs reduce incomes or employment in the United States? How does it matter if a seminal invention to produce faster, cheaper, or cooler microprocessors originates in a research facility located in Silicon Valley, Israel, Britain, or India if the chips that embody this invention are subsequently manufactured in a plant located in China or Taiwan? In other words, techno-nationalists are implicitly trying to secure a horse that left the stable decades ago—and hasn't really been missed.

### A2 Manufacturing – Not key to US Economy

#### Manufacturing not key to the economy – robotics and automation mean that increases in manufacturing are no longer linked to jobs

Florida 2013   
Richard Florida is Co-Founder and Editor at Large at The Atlantic Cities. He's also a Senior Editor at The Atlantic, Director of the Martin Prosperity Institute at the University of Toronto's Rotman School of Management, and Global Research Professor at New York University. Sorry Mr. President, Manufacturing Will Not Save Us RICHARD FLORIDA FEB 13, 2013 <http://www.theatlanticcities.com/jobs-and-economy/2013/02/sorry-mr-president-manufacturing-will-not-save-us/4656/>

1. Manufacturing does not generate a lot of jobs: American manufacturing is making a comeback, but is remains an anemic job creator. Manufacturing output is projected to grow from $4.4 trillion in 2010 to a projected $5.7 trillion by 2020, according to the Bureau of Labor Statistics. But this increased manufacturing output — which stems from improvements in technology, greater use of robots and automation, and improved production organization — will not necessarily translate into a whole lot more jobs. In fact, the BLS projects the U.S. will lose another 73,100 manufacturing jobs by 2020, as manufacturing falls to just seven percent of total employment.

#### Even if manufacturing jobs grow, they aren’t good jobs anymore – they don’t pay more than service jobs and they’re more vulnerable to natural business cycles

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2. Not all manufacturing jobs are good jobs: Americans often think of manufacturing jobs as good, family-supporting union jobs, but unfortunately that's not actually the case. Production workers across the United States average just $34,220 per year according to the BLS, less than half that of knowledge, professional and creative workers ($70,890) and not that much more than what low skill service workers in fields like food preparation, clerical work and retail sales ($30,597) take home. Pay varies considerably across different types of manufacturing jobs. As I noted here last March:¶ The 66,530 tool and die makers or the 36,200 aircraft assemblers have great jobs earning - $48,710 and $45,230, respectively. But the nearly 150,000 sewing machine operators average just $22,630 a year, or $10.88 per hour.¶ While we like to think manufacturing jobs are secure, they are actually among the most vulnerable to the ups and downs of the business cycle. As I noted on Cities this past October, the unemployment rate for workers in blue-collar jobs increased to 14.6 percent during the economic crisis, more than three times the rate of 4.1 percent for knowledge, professional, and creative workers, and considerably higher than the 9.3 percent rate for workers in low-skill service jobs which we typically think of as more vulnerable.

#### Can’t compare new manufacturing jobs to existing ones – new jobs start at significantly lower wages

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Also, many manufacturing jobs that are being brought back onshore offer substantially lower wages then existing manufacturing jobs. "U.S. manufacturing wages have come under further pressure as large established companies like General Electric, Ford and others have instituted two-tier pay practices," I wrote on Cities last year based on a report by the New York Times, which found new hires making just $12 to $19 per hour compared to $21 to $32 per hour for established employees.

# Global Supply Chains

### Alt Causes

#### Any single policy can’t solve supply chain inefficiency.

Hoekman, 2013 Bernard Hoekman is a Professor at the European University Institute, Florence Italy, where he directs the Research Programme on International Economics in the Robert Schuman Centre for Advanced Studies’ Global Governance Programme. “Global supply chains and trade agreements: beyond business as usual” June 11th, 2013 http://www.eastasiaforum.org/2013/06/11/global-supply-chains-and-trade-agreements-beyond-business-as-usual/

The current approaches pursued by governments arguably are not optimal because they focus on specific policy instruments independently. What is needed is concerted action on a number of policy fronts. One way of determining priority areas is to analyse how policies impact on the efficiency of international supply chains. These are an ever more prominent feature of global commerce, with goods being processed — and value being added — in multiple countries that are part of a given value chain. Looking at the world through a supply-chain lens can help to identify both where value is added and how policies affect costs. Supply-chain barriers can arise from any policy that obstructs the easy movement of goods from one stage in a supply chain to the next. Border delays, inconsistent and redundant regulation, poor transport and communications infrastructure, inefficient or low-quality services, restrictive local-content policies, corruption and theft can all impact on supply-chain costs.

#### Small changes in supply chain efficiency don’t solve.

Gottfredson 2013 Mark Gottfredson is a partner with Bain & Company based in Dallas and a senior member of Bain’s Performance Improvement practice. Finding the hidden costs in broken supply chains http://www.bain.com/Images/BAIN\_BRIEF\_Finding\_the\_hidden\_costs\_in\_broken\_supply\_chains.pdf

While tariffs can generally be eliminated with the stroke of a pen once political obstacles are addressed, eliminating supply chain barriers is a complex task requiring coordinated policy action and investment. As with tariffs, regulators have to deal with reluctance from companies and local industries protected by supply chain barriers. And they have to make smart choices about which changes will have the greatest impact. Real improvement depends on achieving speciﬁ c “tipping points” of new efﬁ ciencies across various kinds of barriers that encourage companies wary of wasting resources to risk new investments in a given market. For example, if the market’s supply chain barriers add 10% to a company’s cost of doing business there, reducing those barriers to just 2% won’t likely spur on new investment activity. But the research shows clearly that once those tipping points are reached, the impact on trade and foreign investment can be dramatic as companies move to take advantage of newly opened markets and pathways to increased growth.

### Alt Cause – US Mexico Supply Change

#### Many alt causes to US-Mexico supply chain inefficiencies.

Gottfredson 2013 Mark Gottfredson is a partner with Bain & Company based in Dallas and a senior member of Bain’s Performance Improvement practice. Finding the hidden costs in broken supply chains http://www.bain.com/Images/BAIN\_BRIEF\_Finding\_the\_hidden\_costs\_in\_broken\_supply\_chains.pdf

Over the years, Bain has worked with many companies weighing the merits of trading with Mexico or moving production there, especially after the North American Free Trade Agreement ended most formal trade barriers on the continent. While a traditional analysis might show that Mexico has a 25% cost advantage relative to the US and Canada, more than half of that advantage could be eliminated by supply chain friction costs. In doing the analysis, we’ve been able to quantify those costs and how they affect a company’s real return on investment. The beneﬁ ts of investing in Mexico are well known. A hypothetical manufacturer weighing whether to relocate production capacity there would see that hourly wage rates are about one-ﬁ fth of what they are in the US, while capital expenditures related to building facilities are typically 10% lower than in the US or Canada. Depending on the company’s product mix, there can be other advantages as well. Products best suited for production in Mexico are those with the highest level of direct and indirect labor content. They are made from basic materials that can be easily sourced in Mexico. And because those materials have to travel long distances to market, they are typically nonperishable (to avoid the cost of refrigerated trucks) and have a high valueto-weight ratio. Even if those considerations support a positive investment conclusion, however, a number of hidden costs complicate a more thorough analysis (see Figure 2). Mexico’s lack of federal and provincial tax breaks, for instance, can add 1% to investment costs up front. The lower productivity of Mexican hourly workers coupled with a lack of automation means a company might have to boost stafﬁ ng levels 25%, erasing some of the labor-cost advantage. Transporting goods in Mexico is also a problem. Gaps in road and rail connections require shipments to travel extra distances that will eat into margins. And while Mexican trucks entering the US no longer have to switch drivers and cabs as they did until 2011, they do have to buy US insurance at the highest possible rate. Then there’s safety. High crime rates in Mexico might require the investing company to take extraordinary measures to safeguard building assets as well as goods in transit—putting armed guards on all trucks, for instance. Security measures alone can boost ﬁ xed costs by as much as 7% per year.

### Alt Cause – Domestic Supply Chains

#### The US supply chain adds a ton of external costs.

Ikenson 2008 Daniel Ikenson is associate director of Cato’s Center for Trade Policy Studies and coauthor of Antidumping Exposed: The Devilish Details of Unfair Trade Law While Doha Sleeps Securing Economic Growth through Trade Facilitation June 17, 2008 No. 3 http://www.cato.org/sites/cato.org/files/pubs/pdf/tpa-037.pdf

In addition to the lack of U.S. freight-rail competition, other U.S. laws and regulations work to drive up the costs of domestic logistics. The most enduring scheme to this effect is section 27 of the Merchant Marine Act of 1920 (also known as the Jones Act), which “protects U.S.-flag vessels and shipbuilders from import competition in the U.S. domestic oceanborne trade.”47 Under the Jones Act, the transport of cargo between U.S. ports must be performed on vessels that are built and registered in the United States, and are owned and crewed by U.S. citizens. Beyond the Jones Act, several other U.S. laws exist that restrict cabotage (the transport of merchandise between domestic ports) participation to U.S. vessels. For example, pursuant to the Cargo Preference Act of 1954, U.S.-flagged vessels are required to transport at least 50 percent of government-owned cargo and all U.S. military cargo.48 Under the Food Security Act of 1985, U.S.-flagged vessels must transport at least 75 percent of agricultural cargo that is part of foreign assistance programs administered by the U.S. Department of Agriculture and the U.S. Agency for International Development.49 Moreover, U.S. law requires that freight in connection with Export-Import Bank loans be shipped by U.S.-flagged vessels (unless the U.S. Maritime Administration grants a waiver permitting the recipient country to use its own flagged vessels).50 Cabotage restrictions artificially raise the costs of domestic transport by limiting the supply and suppressing the quality of service. A comparison of the daily operating expenses for U.S.-flagged and foreign-flagged vessels provides a rough approximation of a portion of the direct economic costs of U.S. shipping restrictions. Operating expenses include wages paid to crews, direct fuel charges, insurance, maintenance and repair, and other administrative expenses. According to data published by the U.S. International Trade Commission,the total daily operating expenses for a U.S.-flagged tanker ship in 2005 were $27,900 versus $16,600 for a foreign-flagged tanker, and $34,260 for a U.S.-flagged container ship versus $22,190 for a foreign-flagged container ship.51Of course, the lack of competition allows domestic carriers to increase rates,which represents a cost to traders not captured by the difference in operating costs above.

### Global supply chain efficiency fails

#### Global supply chain efficiency won’t work – a one-size fits all approach fails.

Ikenson 2008 Daniel Ikenson is associate director of Cato’s Center for Trade Policy Studies and coauthor of Antidumping Exposed: The Devilish Details of Unfair Trade Law While Doha Sleeps Securing Economic Growth through Trade Facilitation June 17, 2008 No. 3 http://www.cato.org/sites/cato.org/files/pubs/pdf/tpa-037.pdf

A report based on a 2006 APEC survey of the literature assessing the costs and benefits of trade facilitation measures under negotiation in the Doha Round found that “no, or very few, countries would lose from global trade facilitation and that developing countries have the most to gain from implementation of TFMs, although important variations can be expected across countries, sectors, and types of traders.”64 The fact that variations can be expected suggests that onesize-fits-all agreement to undertake particular reforms with the promise of funding from developed countries will encourage countries to adopt measures that will prove unnecessary or unsuccessful. Furthermore, according to the report: “Long-term savings greatly exceed the perceived implementation costs for all measures considered. However TFMs under consideration by the NGTF [Negotiating Group on Trade Facilitation] for possible inclusion in revised GATT articles V, VIII, and X should be selected carefully as overall cost implications for Governments differ significantly across measures, as does time needed for implementation in LDCs [least developed countries].”65 Likewise, the need to select reforms carefully because of cost implications suggests the need for customization, and not commoditization, of reforms. It makes more sense for countries to adopt reforms suited to their particular situations than to impose topdown, mandated, homogenous reforms. By having negotiations on trade facilitation on the Doha agenda, countries are less likely to treat reform as something that is primarily in their own interests. Instead, it will be subject to the same “mercantilization” that has halted progress in the other Doha negotiations. The tie-in of “capacity building” or “aid-for-trade” in the Doha negotiations, which requires rich countries to effectively pay developing countries to implement their reforms, reinforces the perception that the process is a quid-pro-quo and therefore endangers prospects for reform.

### SQ Solves Global Supply Chains

Ikenson 2008 Daniel Ikenson is associate director of Cato’s Center for Trade Policy Studies and coauthor of Antidumping Exposed: The Devilish Details of Unfair Trade Law While Doha Sleeps Securing Economic Growth through Trade Facilitation June 17, 2008 No. 3 http://www.cato.org/sites/cato.org/files/pubs/pdf/tpa-037.pdf

Over the last decade, nearly every country reduced its tariff barriers, and only 3 out of 136 countries experienced an increase in overall “trade restrictiveness.”69 During the period, all regions of the world experienced real growth in trade, and since the year 2000 developing countries’ trade growth rates have exceeded those of high-income countries.70 In light of the findings that trade facilitation reforms are probably more consequential than further tariff liberalization for many countries and that there is vast room for improvement in trade facilitation (as evidenced by the performance spread found in the “Trading Across Borders” and LPI surveys, for example), all countries should be moving forward—at least with relatively inexpensive reforms—without waiting for some multilateral agreement. Many countries are already doing so.

Without a Doha agreement, countries are already modernizing their customs procedures, investing in trade infrastructure, and adopting international best practices. According to Finger: Many developing countries have in place active programmes to improve trade facilitation—often financed from their own resources, and with contributions from their own businesses. [A recent OECD study] reports that a number of developing countries, including least developed countries, have “become champions of reform by introducing farreaching reforms” such as single window [one location for submitting administrative paperwork and addressing all compliance issues], risk management and

post-clearance audit. Senegal, Ghana, Mauritius and Mozambique are examples of countries that have today highly performing Customs and other border controls. Because improved facilities mean better business for local companies, reforms in developing countries are often driven and financed by local private/public partnerships.71 APEC members, which comprise both rich and developing countries, successfully met the 1994 goal of reducing trade transaction costs by 5 percent by 2006—and have decided to shoot for another 5 percent reduction by 2010—without any formal agreement. Trade is advancing without any near-term prospects for Doha. Trade facilitation measures are being implemented. Figure 2 provides a broad-stroke perspective on the breadth and depth of trade facilitation reforms implemented or progress recognized between 2005 and 2007. Although more countries reported increases in the costs of both container imports and exports, the number of countries reporting reductions in the number of documents and wait times over the two-year period far exceeds the handful of reporting increases. The fact that the costs of containers rose for most countries is probably attributable to factors beyond those countries’ control. An absolute increase in cost does not necessarily constitute a relative disadvantage if other countries’ costs rose too. But the improvements in factors most immediately within the control of each country—waiting time and red tape— reflect widespread reform efforts, according to the “Trading Across Borders” data. The LPI also suggests that trade facilitation reforms have been widespread and successful. Large percentages of respondents acknowledged “positive trends in developments” across countries on a wide variety of metrics. As Table 2 indicates, a majority of respondents reported that the availability of private sector services had improved in every region of the world, and a majority of respondents reported improvements in all six metrics for non-OECD Europe and Central Asia. In this highly competitive, increasingly interconnected global economy, companies are competing not only for markets but for investment and the opportunity to be part of the supply chain. Companies are less inclined to do business in jurisdictions where governments maintain policies that add roadblocks or unnecessary frictions to the flow of trade. And that deprives those countries of investment, jobs, and affordable consumer choices. There is no compelling reason to believe that the trend of more trade and growth will reverse or even slow in the absence of a successful Doha Round agreement. Demand is likely to continue to grow in recently emergent economies and as the world’s producers continue the transition to decentralized, transnational production processes to meet that growing demand. A recent World Bank study forecasts a threefold increase in global goods and services trade to $27 trillion by 2030.72To capitalize on that growth and to be a part of the huband-spoke global supply chain, countries will have to be nimble with respect to trade regulations and infrastructure. Not only is trade facilitation in the interests of all countries, it is an economic imperative for countries competing with China. In more ways than one, the emergence of China has played an important role in trade facilitation reforms in developing countries. There’s nothing like the existential threat of relentless competition to focus minds.

# North American Integration Adv

### AT: North American Integration

#### No chance the plan solves – only trilateral cooperation with Canada can ensure successful integration

Pastor 12 – prof and director of the Center for North American Studies @ American

Robert A, Beyond the Continental Divide, July/August, <http://www.the-american-interest.com/article.cfm?piece=1269>, CMR

The problem is that our leaders do not think continentally. As long as they persist in focusing on bilateral or Asian relationships, they will be blind to the promise and the problems of North America. At base, today’s problems are the result of the three governments’ failure to govern the North American space for mutual benefit. Once they visualize “North America” and decide to approach their problems from a continental perspective, solutions will appear that were previously invisible. ¶ None of the many proposals that have been advanced for the region can be achieved without such a vision. Americans and Canadians will not contribute to a North American Investment Fund to narrow the development gap with Mexico without being convinced that Mexico’s growth will benefit their countries. There is little prospect of reaching an agreement on labor mobility, harmonizing environmental standards, forging a transportation plan, or most any proposal that would cost money or change the status quo unless there is a vision of a wider community that could attract the support of the people and their legislatures. The right vision can inspire the three nations to rethink North America and incorporate the idea into our consciousness and policies. We can be more than the sum of our three great countries, but only if we first see the possibility.

#### Regional cooperation high now – multiple indicators

WSJ 5/2/13 (“Statement: U.S., Mexico Stress Greater Cooperation”, <http://blogs.wsj.com/washwire/2013/05/02/statement-u-s-mexico-stress-greater-cooperation/>, CMR)

Economic Competitiveness¶ Underpinning our successful United States-Mexico economic relationship are trade and investment flows that support jobs in both countries. Bilateral trade was almost half a trillion dollars in 2012.¶ The two Presidents agreed on the need to continue forging a close and productive economic relationship to enhance their nations’ competitiveness and to create more trade and investment opportunities. With this purpose, they decided to establish a High Level Economic Dialogue, which will be chaired at the cabinet level and focus on promoting competitiveness, productivity and connectivity, fostering economic growth and innovation, and partnering for global leadership. The leaders intend for the first meeting of the Dialogue to take place later this year, include representatives from relevant agencies and departments from both governments, and engage with relevant stakeholders, notably the private sector.¶ The two leaders also discussed the importance of the United States and Mexico working together, and with their Canadian partners, to make North America the most dynamic and competitive region in the world. They agreed to seek a successful conclusion to a high-standard Trans-Pacific Partnership this year that includes 21st century provisions that significantly strengthen the North American Free Trade Agreement. They also reiterated their commitment to the resolution of specific trade issues between their countries, and their interest in maintaining close coordination with regards to other relevant trade negotiations.

#### Full integration impossible --- too many barriers

Economist 11 (“The push for deeper ties peters out”, Feb 24, <http://www.economist.com/node/18229546>, CMR)

WHEN Canada, Mexico and the United States implemented the North American Free-Trade Agreement (NAFTA) in 1994, it was hailed as a promising first step towards the deeper integration of the continent. Six years later Vicente Fox, then Mexico's president, called for a customs union, a common external tariff and free labour flows. And in 2005 the leaders of the three countries began a series of annual summits to push an ambitious “security and prosperity” agenda.¶ Since then the drive for integration has ground to a halt. The “three amigos”, as their leaders were once dubbed, could not find time to meet last year, and the session scheduled for February 26th has been cancelled. When Barack Obama and Stephen Harper, Canada's prime minister, announced on February 4th that they were exploring ways to harmonise regulations and co-ordinate security—plans that had previously been discussed trilaterally—they did not mention Mexico.¶ A North American version of the European Union was always a long shot. Having one giant dealing with two relative dwarves is unlikely to produce a deal acceptable to all parties. Moreover, North America lacked the historical impetus of the second world war, which gave European integration a sense of purpose.¶ Nonetheless, even the modest goals set in the years following NAFTA's passage have been blocked. One big reason is the September 11th attacks, which led the United States to redouble its border enforcement. Whereas in the 1990s Americans discussed eliminating border controls with Canada, earlier this month the United States Government Accountability Office reported that less than 1% of the country's northern border had an “acceptable level of security”. To the south, Mexico's raging drug war and stream of migrants make the prospect of relaxing controls there politically unthinkable. Mr Obama has struggled to fight off new restrictions, like Arizona's harsh state law on immigration.¶ America's lengthy recession also diminished the appeal of further trade liberalisation. NAFTA has always had its doubters in the Democratic Party, including Mr Obama when he was competing for its nomination. As a candidate, Mr Obama vowed to renegotiate the deal. Although he has not honoured that pledge—much to the relief of Mexico and Canada—the United States did cancel a programme allowing Mexican lorry drivers to work in America in 2009, in violation of its NAFTA obligations. Mexico retaliated with a series of tariffs aimed at the states of legislators who opposed the programme.¶ America is not the only country to blame. Because Mr Harper runs a minority government that could fall at any time, he has chiefly focused on short-term, voter-pleasing issues like cracking down on illegal immigration. Canada imposed new visa restrictions on Mexican visitors in 2009, angering the Mexican government.¶ And whereas Canadian companies once strongly backed regional integration, their focus has now shifted to Asia, turning their North American agenda almost entirely towards the United States. Mr Harper has followed suit: although he has talked of a hemispheric foreign policy and signed free-trade deals with Colombia, Panama and Peru, he is now working on aligning Canadian and American security measures and regulations.¶ Felipe Calderón, Mexico's president, has espoused a vision of North America as a union of complementary economies—with Canada providing the natural resources and Mexico the labour—that would compete with Asia. However, his efforts to liberalise Mexico's economy, including a plan to allow private investment in energy, have been defeated or watered down in Congress. It is hard to see how he can achieve continent-wide reforms.¶ The main obstacle to trilateral co-operation is that Canada and Mexico are much more interested in their relations with the United States than they are in each other. Until that changes, the next North American summit will probably prove just as difficult to schedule.

### AT: North American Integration – Protectionism Turn

#### The plan causes a huge protectionist backlash

Field 12 (Alan M, “Will protectionist murmurs deter efforts to forge even closer economic integration”, July 5, <http://www.canadiansailings.ca/?p=4319#sthash.EBghHG0k.dpuf>, CMR)

Although current NAFTA provisions for labour are “archaic,” said Ms. Greenwood, she is encouraged by the progress the U.S. and Canada are making in their Beyond the Border initiatives. For his part, Dr. Pastor argues that such initiatives don’t get nearly far enough to use joint North American resources to solve the common problems of the continent. He proposes that the transportation ministers of Canada, the U.S. and Mexico should negotiate a North American Plan for Infrastructure and Transportation, to create new trade corridors that would extend from Canada all the way to south Mexico. **He added** that **leaders** of the three countries **should** also **eliminate their costly NAFTA ‘rules of origin**,’ – complex barriers to trade that he said were an “inefficient tax estimated at over $500 million per year.” The three countries should also establish a common external tariff whose revenues would fund a North American Investment Fund, whose main goal would be to fund infrastructure and transportation, added Pastor. Among other new institutions would be a lean North American Commission on Regulatory Convergence, which would “do research and provide options for the three governments to improve competitiveness and security in North America.”¶ No doubt, **such bold initiatives will strike many as being far too ambitious to attract widespread political support in** either Canada, **the U.S**. or Mexico. In each of these countries, **protectionist forces are** well-entrenched**,** and many oppose any initiative that would seem to cede too much power to foreign governments and international institutions. Nevertheless, the countries’ leaders may gradually be impelled to move at least part of the way toward such bold solutions as their economies becoming increasingly integrated – and yet equally challenged by competition from other regions of the world.

#### That will force Obama to bash NAFTA – turns case

O’Brien 8 (Dan, Senior Editor – Economic Intelligence Unit, “Our Vested Interest in a McCain Win”, Sunday Business Post, 11-2, <http://www.sbpost.ie/post/pages/p/story.aspx-qqqt=GUEST+WRITER-qqqs=commentandanalysis-qqqid=37213-qqqx=1.asp>, CMR)

Anti-globalisation sentiment is widespread in the Democratic Party, which has traditionally been less supportive of economic openness than the Republicans. The Democratic-controlled Congress has opposed free trade agreements and, since 2007, has refused the extension of presidential powers to negotiate trade deals without having for itself line-by-line veto power. This is one of the reasons why the Doha round of multilateral trade talks continues to languish.¶ As for Obama himself, he has not shied away from protectionist rhetoric during the campaign. But, in fairness, his bite is unlikely to match his bark. His economic advisers are mostly solid internationalists, and one of them, Austan Goolsbee, let slip earlier in the year that Obama would not act on his threats of economic nationalism if elected.¶ How could these factors come together and play out in relation to Ireland? By far the greatest threat is a change to the US corporation tax code. Many voices are now calling for US companies to be taxed on worldwide earnings in their home country.¶ If American companies located in Ireland were obliged to pay the US rate of 35 per cent, it would mean that, on top of the 12.5 per cent of their profits booked in Ireland, which go to the Department of Finance, an additional 22.5 per cent would go to the treasury in Washington DC.¶ US companies, which directly and indirectly employ one in ten people at work in Ireland, operate here for many reasons, but tax is undoubtedly of key importance. Data on output per worker in the sectors in which US companies dominate show that Irish workers produce more (often far more) than their counterparts elsewhere. There can be little doubt that this is attributable far less to the heroic toiling of Irish workers and far more to transfer pricing, which, put simply, is a method of inter-jurisdictional tax avoidance.¶ Obama has made noises about closing what many Americans consider to be a loophole. US businesses will lobby hard against this, arguing that it would put them at a competitive disadvantage. But as the US fiscal position weakens and as anti-business sentiment becomes shriller, making companies pay more tax in the US may be both necessary and popular.¶ If the US revamped its tax regime along those lines, it would fundamentally change the way American companies view their international operations in general, and their Irish operations in particular. Companies already in Ireland would be more likely to divest, and attracting new ones would be far more difficult.¶ Under a McCain presidency, the existing tax code would be safe, because he believes it is good for American companies and good for America. Reassuringly for Ireland, he even cited approvingly the country's low corporation tax rate in a TV debate with Obama.¶ On trade, the differences between the candidates are narrower. Philip Gordon, who was director for Europe at the national security council during the Clinton administration, is among the hot favourites to take responsibility for Europe at the state department under Obama. At a conference in Barcelona in June, he stressed Obama's commitment to bilateral trade links with Europe, and the importance of the multilateral trading system centred around the World Trade Organisation.¶ Pragmatic Republicans don't doubt the Obama commitments to avoid roll-back on trade. At a think-in of policy wonks and journalists in Slovakia two weeks ago, John Hulsman of the German Council on Foreign Relations, a hard-headed and worldly Republican, stated that, while Obama would not push for trade liberalisation, he was unlikely to go in the opposite direction.¶ But whether, against his better judgment, Obama will be able to resist moving in a protectionist direction is moot. Europeans rarely realise that their prime ministers are far more powerful domestically than American presidents are in the US. Where European parliaments have limited powers over the executive branch of government, the US Congress can make life impossible for presidents.¶ In order to get anything done, Obama will have to horse-trade with Congress. If demands for protectionism in the US rise, Congress will pander and even inflame. Legislators could call the president on his campaign promises, such as the renegotiation of the North American Free Trade Agreement. Obama may not be able to resist.

### AT: North American Integration – Protectionism Turn 2NC

#### Labor hates the plan. They only see costs.

Scheve 1 (Kenneth F., Professor of Political Science – Yale University, Globalization and the Perceptions of American Workers, p. 87, CMR)

We have presented evidence on both worker perceptions and pressures in an increasingly global US economy. **As for perceptions about globalization,** a wide range of public opinion surveys indicate that US citizens recognize both the costs and the benefits of integration with the world economy. But on balance, **the public seems to weigh the costs more than the benefits, so that their perceptions are translated into generally skeptical policy preferences about the liberalization of trade**, immigration, **and foreign direct investment.** Moreover, these preferences divide strongly across skill levels: less-educated lower-income workers are much more likely to oppose policies aimed at freer trade and immigration. As for pressure in the US labor market, these workers, still the majority of the US labor force, have had to close zero or even negative real-wage growth for more than 25 years thanks to the combination of slow growth in average real wages and sharp rises in inequality of relative wages across skill groups. ¶ How are these perceptions, policy preferences, and labor-market pressures related to each other? One hypothesis is that **the labor-market pressures have produced the policy preferences.** That is, **amid poor real and relative-wage performance, less-skilled US workers have blamed globalization for these outcomes and thus have been more likely to oppose policies aimed at further liberalization**.

#### Perception is huge. The entire economy will see the plan as driving down wages and push for import restrictions.

Scheve 7 (Kenneth F., Professor of Political Science – Yale University and Matthew J. Slaughter, Professor of Economics – Dartmouth College, “A New Deal for Globalization”, Foreign Affairs, July/August, Lexis, CMR)

The best way to avert the rise in protectionism is by instituting a New Deal for globalization -- one that links engagement with the world economy to a substantial redistribution of income. In the United States, that would mean adopting a fundamentally more progressive federal tax system. The notion of more aggressively redistributing income may sound radical, but **ensuring that most American workers are benefiting is the best way of saving globalization from a protectionist backlash**.¶ RISING PROTECTIONISM¶ **U.S. economic policy is becoming more protectionist**. First, consider trade. The prospects for congressional renewal of President George W. Bush's trade promotion authority, which is set to expire this summer, are grim. The 109th Congress introduced 27 pieces of anti-China trade legislation; the 110th introduced over a dozen in just its first three months. In late March, the Bush administration levied new tariffs on Chinese exports of high-gloss paper -- reversing a 20-year precedent of not accusing nonmarket economies of illegal export subsidies.¶ **Barriers to inward** foreign direct investment (**FDI**) **are** also **rising**. In 2005, the Chinese energy company CNOOC tried to purchase U.S.-headquartered Unocal. The subsequent political storm was so intense that CNOOC withdrew its bid. A similar controversy erupted in 2006 over the purchase of operations at six U.S. ports by Dubai-based Dubai Ports World, eventually causing the company to sell the assets. The Committee on Foreign Investments in the United States, which is legally required to review and approve certain foreign acquisitions of U.S. businesses, has raised the duration and complexity of many reviews. Both chambers of the 109th Congress passed bills to tighten CFIUS scrutiny even further; similar legislation has already passed in the current House.¶ This protectionist drift extends to much of the world. The Doha Development Round of trade negotiations, the centerpiece of global trade liberalization, is years behind schedule and now on the brink of collapse. Key U.S. trading partners are becoming increasingly averse to foreign investment, as expressed both in their rhetoric (recent public pronouncements by the governments of France and Germany) and in their actions (new restrictions in China on foreign retailers).¶ At first glance, this rise in protectionism may seem puzzling. The economic gains from globalization are immense. In the United States, according to estimates from the Peter G. Peterson Institute for International Economics and others, trade and investment liberalization over the past decades has added between $500 billion and $1 trillion in annual income -- between $1,650 and $3,300 a year for every American. A Doha agreement on global free trade in goods and services would generate, according to similar studies, $500 billion a year in additional income in the United States.¶ International trade and investment have spurred productivity growth, the foundation of rising average living standards. The rate of increase in output per worker hour in the U.S. nonfarm business sector has doubled in the past decade, from an annual average of 1.35 percent between 1973 and 1995 to an annual average of 2.7 percent since 1995. Much of the initial acceleration was related to information technology (IT) -- one of the United States' most globally engaged industries, at the forefront of establishing and expanding production networks linked by trade and investment around the globe.¶ Gains from globalization have been similarly large in the rest of the world. China and India have achieved stupendous rates of productivity growth, lifting hundreds of millions of people out of poverty. Central to this success has been the introduction of market forces, in particular international market forces related to trade and FDI. In Chinese manufacturing, foreign multinational companies account for over half of all exports. And in the Indian IT sector, Indian and foreign multinational firms account for two-thirds of sales.¶ Freer trade and investment can also enhance other foreign policy goals. The Doha Round was launched shortly after 9/11 because of the view that global poverty is intimately linked to international insecurity and instability. The Doha Round was also intended to remedy the widespread perception that previous rounds of trade negotiations had treated poor nations unfairly by failing to open the very sectors -- such as agriculture -- whose openness would most likely help the world's poor. Accordingly, it is believed that a successful Doha agreement would enhance the United States' image and promote its interests around the world.¶ There are three common explanations for why protectionism is on the rise in the United States even though globalization is good for both the U.S. economy and U.S. security interests. None, however, is convincing. The first is that a narrow set of industries, such as agriculture and apparel manufacturing, have been harmed by freer trade and, in response, have lobbied hard to turn lawmakers against liberalization. But **the incentives for** these **industries to oppose globalization have not changed in recent years**, and there are also many industries that have benefited from, and thus lobbied for, further liberalization. What is new today is that **special-interest protectionists are facing a more receptive audience.**¶ The second explanation is that **policymakers and the business community have failed to adequately explain the benefits of freer trade and investment to the public**. But in fact, public-opinion data show the opposite: large majorities of Americans acknowledge these broad benefits. If anything, the public seems to understand certain benefits better than ever -- for example, that its enjoyment of relatively affordable toys, DVD players, and other products depends on globalization.¶ Finally, there is the security explanation: that **the need to balance economic interests with national security concerns has resulted in a more protectionist stance.** This may help explain policy debates on certain issues, such as immigration. But generally, security concerns strengthen rather than weaken the case for further trade and investment liberalization, as long as such liberalization is viewed as fair to the developing world.¶ THE ROOTS OF PROTECTIONISM¶ The fundamental explanation is much simpler: **policy is becoming more protectionist because the public is becoming more protectionist, and the public is becoming more protectionist because incomes are stagnating or falling**. The integration of the world economy has boosted productivity and wealth creation in the United States and much of the rest of the world. But within many countries, and certainly within the United States, the benefits of this integration have been unevenly distributed -- and this fact is increasingly being recognized. Individuals are asking themselves, "Is globalization good for me?" and, in a growing number of cases, arriving at the conclusion that it is not.¶ This account of rising protectionism depends on two key facts. First, there is a strong link between individuals' labor-market interests and their policy opinions about globalization. Second, in the past several years labor-market outcomes have become worse for many more Americans -- and globalization is plausibly part of the reason for this poor performance.¶ Research on polling data shows that opinions about trade, FDI, and immigration are closely correlated to skill and educational levels. Less skilled Americans -- who make up the majority of the U.S. labor force -- have long led opposition to open borders. Workers with only high school educations are almost twice as likely to support protectionist policies as workers with college educations are.¶ This divide in opinion according to skill level reflects the impact that less skilled Americans expect market liberalization to have on their earnings. It also reflects their actual poor real and relative earnings performance in recent decades. It is now well established that income inequality across skill levels has been rising since (depending on the measure) the mid- to late 1970s and that the benefits of productivity gains over this time accrued mainly to higher-skilled workers. For example, from 1966 to 2001, the median pretax inflation-adjusted wage and salary income grew just 11 percent -- versus 58 percent for incomes in the 90th percentile and 121 percent for those in the 99th percentile. Forces including skill-biased technological change played a major role in these income trends; the related forces of globalization seem to have played a smaller role -- but a role nonetheless.¶ There are two important points about this link between policy opinions and labor-market skills and performance. One is that it does not simply reflect different understandings of the benefits of globalization. Polling data are very clear here: large majorities of Americans acknowledge the many benefits of open borders -- lower prices, greater product diversity, a competitive spur to firms -- which are also highlighted by academics, policymakers, and the business community. At the same time, they perceive that along with these benefits, open borders have put pressures on worker earnings.¶ Second, a worker's specific industry does not appear to drive his view of globalization. This is because competition in the domestic labor market extends the pressures of globalization beyond trade- and foreign-investment-exposed industries to the entire economy. If workers in a sector such as automobile manufacturing lose their jobs, they compete for new positions across sectors -- and thereby put pressure on pay in the entire economy. What seems to matter most is what kind of worker you are in terms of skill level, rather than what industry you work in.¶ The protectionist drift also depends on worsening labor-market outcomes over the past several years. By traditional measures, such as employment growth and unemployment rates, the U.S. labor market has been strong of late. Today, with unemployment at 4.5 percent, the United States is at or near full employment. But looking at the number of jobs misses the key change: for several years running, wage and salary growth for all but the very highest earners has been poor, such that U.S. income gains have become extremely skewed.¶ Of workers in seven educational categories -- high school dropout, high school graduate, some college, college graduate, nonprofessional master's, Ph.D., and M.B.A./J.D./M.D. -- only those in the last two categories, with doctorates or professional graduate degrees, experienced any growth in mean real money earnings between 2000 and 2005. Workers in these two categories comprised only 3.4 percent of the labor force in 2005, meaning that more than 96 percent of U.S. workers are in educational groups for which average money earnings have fallen. In contrast to in earlier decades, since 2000 even college graduates and those with nonprofessional master's degrees -- 29 percent of workers in 2005 -- suffered declines in mean real money earnings.¶ The astonishing skewness of U.S. income growth is evident in the analysis of other measures as well. The growth in total income reported on tax returns has been extremely concentrated in recent years: the share of national income accounted for by the top one percent of earners reached 21.8 percent in 2005 -- a level not seen since 1928. In addition to high labor earnings, income growth at the top is being driven by corporate profits, which are at nearly 50-year highs as a share of national income and which accrue mainly to those with high labor earnings. The basic fact is clear: the benefits of strong productivity growth in the past several years have gone largely to a small set of highly skilled, highly compensated workers.¶ Economists do not yet understand exactly what has caused this skewed pattern of income growth and to what extent globalization itself is implicated, nor do they know how long it will persist. Still, it is plausible that there is a connection. Poor income growth has coincided with the integration into the world economy of China, India, and central and eastern Europe. The IT revolution has meant that certain workers are now facing competition from the overseas outsourcing of jobs in areas such as business services and computer programming. Even if production does not move abroad, increased trade and multinational production can put pressure on incomes by making it easier for firms to substitute foreign workers for domestic ones.¶ These twin facts -- **the link between labor-market performance and opinions on globalization and the recent absence of real income growth for so many Americans -- explain the recent rise in protectionism**. Several polls of U.S. public opinion show an alarming rise in protectionist sentiment over the past several years. For example, an ongoing NBC News/Wall Street Journal poll found that from December 1999 to March 2007, the share of respondents stating that trade agreements have hurt the United States increased by 16 percentage points (to 46 percent) while the "helped" share fell by 11 points (to just 28 percent). A 2000 Gallup poll found that 56 percent of respondents saw trade as an opportunity and 36 percent saw it as a threat; by 2005, the percentages had shifted to 44 percent and 49 percent, respectively. The March 2007 NBC News/Wall Street Journal poll found negative assessments of open borders even among the highly skilled: only 35 percent of respondents with a college or higher degree said they directly benefited from the global economy.¶ Given the lack of recent real income growth for most Americans, newfound skepticism about globalization is not without cause. Nor is it without effect: **the change in public opinion is the impetus for the protectionist drift in policy. Politicians have an incentive to propose and implement protectionist policies because more citizens want them, and protectionist special interests face an audience of policymakers more receptive to their lobbying efforts than at any time in the last two decades**.

### AT: Hegemony

#### The Unipolar Moment is over and can’t be recovered - Even if the United States is the preeminent power, the financial crash of 08 means that they won’t be able to prevent competition

Rachman 11 (Gideon Rachman, Financial Times chief foreign affairs commentator, *Zero-Sum Future*, 2011, pp 3-4)

But the economic crisis that struck the world in 2008 has changed the logic of international relations. It is no longer obvious that globalization benefits all the world's major powers. It is no longer clear that the United States faces no serious international rivals. And it is increasingly apparent that the world is facing an array of truly global problems-such as climate change and nuclear proliferation-that are causing rivalry and division between nations. After a long period of international cooperation, competition and rivalry are returning to the international system. A win-win world is giving way to a zero-sum world. Both as individuals and as a nation, Americans have begun to question whether the "new world order" that emerged after the cold war still favors the United States. The rise of Asia is increasingly associated with job losses for ordinary Americans and with a challenge to American power from an increasingly confident China. The crash has heightened awareness of American economic vulnerability and the country's reliance on continued Chinese and Middle Eastern lending. Of course, even after the crash, the United States remains the most powerful country in the world-with its largest economy, its most powerful military, and its leading universities. But the United States will never recover the unchallenged superiority of the "unipolar moment" that began with the collapse of the Soviet Union

#### Heg doesn’t solve war – No threats require primacy and other factors ensure security.

Friedman and Preble 10 (Benjamin Friedman is a research fellow in defense and homeland security studies at the Cato Institute, Christopher Preble is director of foreign policy studies at the Cato Institute, Budgetary Savings from Military Restraint, September 22, 2010 Cato Policy Analysis No. 667 September 23, 2010 <http://www.cato.org/pubs/pas/PA667.pdf>

The United States confuses what it wants from its military, which is global primacy or hegemony, with what its needs, which is safety. Our leaders tend to exaggerate the capability of the enemies we have and invent new enemies by defining traditional foreign troubles —geopolitical competition among states and instability within them, for example—as pressing threats to our security. Geography, wealth, and nuclear weapons provide us with safety that our ancestors would envy. Our hyperactive military policies damage it by encouraging rivalry and resentment. Global military primacy is a game not worth the candle.56

#### Decline wouldn’t cause war – states have an incentive to avoid it.

Zakaria 08 (Fareed Zakaria, editor of Newsweek International, 2008, The Post-American World, p. 244)

In certain areas – the South China Sea, for example – U.S. military force is likely to be less relevant than that of China. In international negotiations, America will have to bargain and compromise with the others. Does all this add up to instability and disorder? Not necessarily. Two hundred years of Anglo-American hegemony has in fact created a system that is not as fragile is it might have been in the 1920s and 1930s. (When British power waned, American power was unwilling to stip in, and Europe fell through the cracks). The basic conception of the current system – an open world economy, multilateral negotiations – has wide acceptance. And new forms of cooperation are growing. Ann-Marie Slaughter has written about how legal systems are constructing a set of standards without anyone’s forcing them to do so—creating a bottom-up, networked order. Not every issue will lend itself to such stabilization, but many will. In other words, the search for a superpower solution to every problem may be futile and unnecessary. Small work-arounds might be just as effective.

# Solvency

### Say No

#### No Solvency – Mexico says no - the new Nieto administration in Mexico is less likely to cooperate with the US on security measures

O’Neil 4/29/13  
Shannon O'Neil is Senior Fellow for Latin America Studies at the Council on Foreign Relations (CFR), an independent, nonpartisan membership organization, think tank, and publisher. She holds a BA from Yale University, an MA in International Relations from Yale University, and a PhD in Government from Harvard University. “Obama Heads to Mexico” Latin America’s Moment http://blogs.cfr.org/oneil/2013/04/29/obama-heads-to-mexico/

Yet no less important for the two neighbors is security. Under Felipe Calderón’s administration, more than 70,000 Mexicans were killed and many more disappeared in violence related to drugs and organized crime. Regular crime, too, has risen, with 40 percent of Mexicans in a recent survey reporting that they or a family member had been a victim of a crime in the past year. This growing crisis opened the door to greater bilateral efforts. After years of cautious circling, U.S.-Mexico security cooperation — through the Mérida Initiative and other efforts — blossomed, setting the two neighbors on a different and more collaborative path. On this policy front, the direction Peña Nieto’s government plans to take is less clear. While repeatedly promising to reduce violence, the details of his administration’s security plan remain vague — suggesting more spending on prevention and social programs. Even the concrete shifts announced — for instance, creating a new federal gendarmerie — have been clouded by contradictory explanations and timelines. The efforts to recentralize the security apparatus by bringing the autonomous Federal Police back under the control of the Ministry of Interior still await the definition of basic reporting lines and the stamp of a finally confirmed executive secretary of the national public security system charged with coordinating security efforts (an area where the previous government struggled). Finally, the leaders of this side of Peña Nieto’s government — Osorio Chong, ex-governor of Hidalgo; Manuel Mondragón y Kalb, the deputy secretary of public safety and previously Mexico City’s top cop; and Jesús Murillo Karam, Mexico’s attorney general and also an ex-governor of Hidalgo — are less familiar to the United States, and some worry less open to working with their neighbor than their predecessors. To be fair, security is harder. After more than a decade of underperformance, most Mexicans agree on what needs to be done economically. In contrast, there is no ready security blueprint for the way forward, for what will work to make Mexico — and by extension the United States — safer. And the issues on which there is some consensus — cleaning up Mexico’s police forces and courts and expanding programs to help youths and communities at risk — were started under the Calderón administration, making it a tricky sell for a government trying to differentiate itself. For Obama, the challenge this week will be to push forward on both fronts, recognizing and embracing the economic ambitions while also ensuring that security cooperation doesn’t falter. What really matters is what happens after the visit and how the U.S. government works with all of these elements and directions in Peña Nieto’s Cabinet. Because the outcome matters — as no other country affects the United States on a day-to-day basis as much as Mexico.

#### Plan fails and will be rejected – internal reform is a pre-requisite to investment

Hufbauer & Scott ‘5

Reginald Jones Senior Fellow since ’92, was the Marcus

Wallenberg Professor of Int’l Finance Diplomacy @ Georgetown University, AND Jeffrey J, senior fellow, joined the Inst for Int’l Economic in ’83, visiting lecturer @ Princeton, “NAFTA Revisited: Achievements and Challenges”, page number below

To generate significant sums required for such investments, Mexico will need to attract both domestic and foreign funds. First, however, the Mexican government must pursue domestic economic reforms that generate substantial new revenues for the Mexican Treasury and create a more conducive policy environment for new investment. Only then should consideration be given to regional initiatives that pool contributions from the United States and Canada for Mexican infrastructure projects. Without prior domestic reforms, proposals to leverage foreign assistance to Mexico – including a North American Investment Fund – would likely be rejected out of hand. Indeed, it would be counterproductive to ask Washington and Ottawa to subsidize Mexican infrastructure investment unless the Mexican government is first willing to tap its own resources. [page 472-473]

#### No Mexican cooperation

David Hendricks (writer for the San Antonio Express-News) February 7, 2006 “ NADBank's future called into question” Lexis

The U.S. and Mexican treasury departments are discussing the future of the San Antonio-based North American Development Bank, and a Mexican newspaper has reported that Mexico wants to shut it down.¶ A U.S. Treasury spokeswoman declined to discuss the possibility of the bank's closure Monday.¶ "I can say we are in discussions to assess the role of the bank and its appropriate future," said Brookly McGoughlin in the U.S. Treasury's public affairs division.¶ "That is all I can say at this point," she said.¶ NADBank officials in San Antonio said they recently became aware of the talks but could not comment.¶ Reforma, a Mexico City daily newspaper, has reported that Mexican Finance Minister Francisco Gil Díaz "is looking to liquidate Mexico's participation" in NADBank by moving its loan capital from the bank to the Mexican government's infrastructure bank Banobras.¶ Since 1995, NADBank has supplied $704 million in loans and grants to fund 90 projects along the U.S.-Mexico border -- areas that couldn't pay for utilities themselves.¶ Typical projects have included a sewage-treatment system in Ciudad Juárez and a water plant in the Southern California city of Brawley.¶ The bank employs 52 people in San Antonio. The United States and Mexico each have $150 million of paid loan capital in the development bank.¶ San Antonio business leaders began fighting to win the development bank in November 1993, the week Congress approved the North American Free Trade Agreement.¶ The bank became active in early 1995.¶ U.S. Rep. Charles Gonzalez, D-San Antonio, whose district includes NADBank's downtown San Antonio headquarters, said the U.S. Treasury has been uncomfortable with the development bank since its inception.¶ "This is nothing new," Gonzalez said of discussions to diminish or dismantle NADBank.¶ He was alluding to an effort by the U.S. Treasury in 2001-02 to merge NADBank and its sister institution, the Border Environment Cooperation Commission, based in Ciudad Juárez, Mexico.¶ The proposal then was to move NADBank from San Antonio and base the merged institutions in El Paso. The environment commission reviews and certifies projects for NADBank loans and grants.¶ But during a summit in Monterrey, Mexico, in March 2002, President Bush and Mexico President Vicente Fox reaffirmed their support for NADBank.¶ They agreed to broaden into such categories as energy and to expand the geographic areas in which the bank could lend and approve grants.¶ The reform effort led to a merging of the boards of directors of the two institutions.¶ The new board consists of 10 members, five from each country, but it has not met for more than two years. Four members, two from each country, were appointed last week.¶ Gonzalez said he does not know whether Mexico or the United States is pushing the bank shutdown, but he will fight it.¶ "I have a sense we'll rally the Bexar County delegation and the Texas senators, because this is bigger than Bexar County, and take this to the appropriate (congressional) committees in securing the integrity of the NADBank," Gonzalez said.¶ "It will be a long road before anything happens," he said.¶ Gonzalez expressed disappointment that talks between the U.S. Treasury and Hacienda (Mexico's Treasury) have occurred without Congress being apprised.¶ "Whoever is promoting this goal without notifying Congress is doing a very dangerous thing," Gonzalez said.¶ "We streamlined the NADBank to make it more effective and efficient. To have this happening now is outrageous."¶ NADBank's $704 million in loans and grants has made possible projects worth $2.35 billion.¶ An additional $46.8 million in loans is pending before the bank's directors, and loans worth $37.4 million are in the approval process.¶ NADBank also operates a Utility Management Institute that trains municipal officials from border cities in the design, construction and operation of utilities. To date, 870 such officials have received NADBank training.¶ The Reforma article cites "little cooperation" between the U.S. and Mexican governments over the years in helping NADBank succeed.

### Canada Key

#### No chance the plan solves – only trilateral cooperation with Canada can ensure successful integration

Pastor 12 – prof and director of the Center for North American Studies @ American

Robert A, Beyond the Continental Divide, July/August, <http://www.the-american-interest.com/article.cfm?piece=1269>, CMR

The problem is that our leaders do not think continentally. As long as they persist in focusing on bilateral or Asian relationships, they will be blind to the promise and the problems of North America. At base, today’s problems are the result of the three governments’ failure to govern the North American space for mutual benefit. Once they visualize “North America” and decide to approach their problems from a continental perspective, solutions will appear that were previously invisible. ¶ None of the many proposals that have been advanced for the region can be achieved without such a vision. Americans and Canadians will not contribute to a North American Investment Fund to narrow the development gap with Mexico without being convinced that Mexico’s growth will benefit their countries. There is little prospect of reaching an agreement on labor mobility, harmonizing environmental standards, forging a transportation plan, or most any proposal that would cost money or change the status quo unless there is a vision of a wider community that could attract the support of the people and their legislatures. The right vision can inspire the three nations to rethink North America and incorporate the idea into our consciousness and policies. We can be more than the sum of our three great countries, but only if we first see the possibility.

### No Solvency – Say No

### Can’t solve Congestion

#### Can’t solve delays - other sources

**Accenture, 08** global management consulting, technology services and outsourcing company, report commissioned by the DOC (March, commissioned by the Department of Commerce's International Trade Administration, “IMPROVING ECONOMIC OUTCOMES BY REDUCING BORDER DELAYS FACILITATING THE VITAL FLOW OF COMMERCIAL TRAFFIC ACROSS THE U.S.-MEXICO BORDER”, <http://shapleigh.org/system/reporting_document/file/487/DRAFT_Reducing_Border_Delays_Findings_and_Options_vFinal_03252008.pdf> )

The complex international trade process reaches its climax at our nation’s POEs, requiring the highly coordinated effort of a diverse set of public and private sector stakeholders. Therefore, it is important to view delays in that context and use a measure of total wait time that captures the border crossing system as a whole. Total wait time is defined as the time elapsed from entering the line in Mexico leading to Mexican export inspection through exit from U.S. inspection facilities, including any U.S. state-conducted inspections. Importantly, **this definition of border crossing wait time captures the fact that processing time at U.S. primary is not the driver of wait time; instead, delays are due several factors, including many outside U.S. federal control.** This represents an expansion of traditional wait time metrics and raises the focus from a processing time level to a more comprehensive system view. The importing community has long sought a well-constructed wait time metric. This construction, or one similar, is proposed as the national standard to account for system-wide border crossing wait time.

### No solve Cooperation

#### No mechanism for effective cooperation

Danelo, 11 [T OWARD A U.S. - M EXICO S ECURITY S TRATEGY : T HE G EOPOLITICS OF N ORTHERN M EXICO AND THE I MPLICATIONS FOR U.S. P OLICY By David J. Danelo, <https://www.fpri.org/docs/Toward_a_US_Mexico_Security_Strategy_Danelo.pdf>]

The problems along the Rio Grande were confirmed in October 2010, just two weeks after Mexico’s bicentennial celebration. David and Tiffany Hartley, a married couple who had moved to the border from Colorado three years earlier for a job in the oil industry, 1 The worst massacre of migrants chronicled by international media happened in August 2010 in Tamaulipas, where the bodies of 72 migrant workers were discovered. Members of Los Zetas reportedly were held responsible. 2 Statistics reported in northeastern Mexico, September 2010. 5 Foreign Policy Research Institute ventured illegally on jet skis into the Mexican waters of the Rio Grande. As the Hartleys searched for an abandoned Catholic church they had previously tou red for recreation, Mexican bandits allegedly ambushed them in speedboats. The husband, David, was missing after the encounter and, according to Tif fany, was wounded and killed. The incident illustrated the lack of an effective cooperative security strategy between Mexico and the United States. Although both nations have pushed forward diplomatic platitudes, the current absence of security along the U.S.-Mexico frontier is both unacceptable and unsustainable. Indeed, the furious reactions to the Hartley incident appear similar to Arizonans ’ responses in April 2010 to the death of rancher Robert Krentz, whose murder preceded the state legislature’s passage of SB 1070, Arizona’s controver sial illegal immigration law. Despite the well - publicized capture o f Mexican cartel kingpins, there are no signs that the anarchy south of the border will soon abate. Mexico’s inability to control the cartels has exposed fundamental weaknesses in the Mexican state, particularly in the north. Regional kingpins continue to seek authority over local governments and businesses in addition to control over smuggling routes. These developments are a natural consequence of many forces — including NAFTA, migration, economic inequality, law enforcement corruption, and political repression — that have plagued Mexico for decades. The outcome of this twenty - first century irregular war, which may become even more violent during the course of this decade, will have far reaching consequences for the United States. Barring an unlikely increase in Mexico’s nationwide security capacity, the anarchy will continue unchecked. This situation has the potential to threaten both the legitimacy of the state and the fabric of Mexican society.

#### Turn - coordination of point of entry infrastructure between the US and Mexico fails and makes congestion worse.

Regan 2011   
Sean Regan Commander, U.S. Coast Guard NAVAL WAR COLLEGE U.S. – MEXICO POLICY COORDINATION AN ASSESSMENT OF THE TWENTY-FIRST CENTURY BORDER POLICY COORDINATION EFFORT A paper submitted to the Faculty of the Naval War College in partial satisfaction of the requirements of the Department of Joint Military Operations. 2011 http://www.dtic.mil/dtic/tr/fulltext/u2/a555536.pdf

The Policy Coordination Challenge Bureaucracies on both sides of the border struggle to coordinate policies across and within various levels of government including federal, state, and local structures. However, the complexity and interdependence of bi-national issues means there is rarely a clear, single lead department or agency on any given issue on either side of the border. Complicating coordination efforts are the various and often duplicative authorities held by many U.S. and GoM institutions. In addition, the various bi-national interactions at the federal, state, and local levels are often not apparent to the other levels of government. The different government stakeholders often address issues directly and indirectly through bi-lateral institutions, commissions, and agreements.7 The failure to coordinate efforts results in disjointed border policies and activities leading to increased levels of congestion, delay, higher border-crossing costs, and insufficient infrastructure planning. One example of a disjointed effort can be found at coordination related to the establishment and management of land ports of entry (POEs).8 The United States and Mexico have over seven federal departments within each national-level structure with POE-related responsibilities.9

#### The affirmative conflates border security and transportation efficiency which kills implementation.

Regan 2011   
Sean Regan Commander, U.S. Coast Guard NAVAL WAR COLLEGE U.S. – MEXICO POLICY COORDINATION AN ASSESSMENT OF THE TWENTY-FIRST CENTURY BORDER POLICY COORDINATION EFFORT A paper submitted to the Faculty of the Naval War College in partial satisfaction of the requirements of the Department of Joint Military Operations. 2011 http://www.dtic.mil/dtic/tr/fulltext/u2/a555536.pdf

Prior to attempting bi-national coordination, obtaining consensus on priority efforts at the federal inter-agency level must occur. The United States’ inter-agency policy and coordination processes focus on the development of whole-of-government approaches to issues. However, security-focused agencies, customs-focused agencies, and transportation focused agencies each have different mandates and nomenclature. This can lead to confusion on which priority topic the federal agencies should be focused on: security, infrastructure, or throughput. Confused, disjointed, and unclear priorities interfere with efforts to get Congressional funding that promotes focused cross-border progress.

#### And, working cooperatively with Mexico fails – their government’s bureaucracy fails.

Regan 2011   
Sean Regan Commander, U.S. Coast Guard NAVAL WAR COLLEGE U.S. – MEXICO POLICY COORDINATION AN ASSESSMENT OF THE TWENTY-FIRST CENTURY BORDER POLICY COORDINATION EFFORT A paper submitted to the Faculty of the Naval War College in partial satisfaction of the requirements of the Department of Joint Military Operations. 2011 http://www.dtic.mil/dtic/tr/fulltext/u2/a555536.pdf

The structure of the GoM’s departments and agencies is similarly complex with border and national security responsibilities split between the president and eight cabinet departments. Efforts are often duplicated across agencies because roles, responsibilities, and authority are not clearly defined.11 Ambiguous, shifting, and overlapping responsibilities have also led to uncoordinated efforts (and often animosity) between Mexican federal agencies. While overlapping roles in the GoM federal structure may provide some checks and balances across agencies, more often it leads to confusion in both the United States and GoM with regard to authority, roles, responsibilities, and which department should coordinate with what department.

\*GoM = Government of Mexico

## Extensions/Additional Answers

### Emissions Turn

#### Increased land traffic at the border massively increases greenhouse gas emissions -

Blank & Lee 2009  
 Transportation infrastructure and competitiveness (revision July 1, 2009) Report prepared for the Woodrow Wilson Center Mexico Institute and El Colegio de la Frontera Norte research project, “The U.S.-Mexico Border: A Discussion on Sub-National Policy Options” By Stephen Blank and Erik Lee

Impact on the environment: GHG emissions¶ Environmental concerns along the US-Mexico border since the signing of NAFTA focused mainly on water pollution, industrial waste, chemical degradation and so on. But the critical issue now is climate change. The border – border crossings and trade corridors in particular – is a major source of green house gas (GHG) emissions. Increasing pressure to mitigate GHG emissions at border crossings and trade corridors will be a major shaping factor on border policy and could become a significant force in “thinning” the border.¶ Trucks accounted for much the largest share of the greatly expanded flow of goods moving across North America’s internal borders in the 1980s and ‘90s. Rail traffic increased substantially as well, but the modal balance between rail and truck – 30% by rail and 70% by truck – did not change. The number of commercial trucks on US highways (most powered by diesel engines) increased by nearly 40% between 1980 and 2002.4 (This is US data. The Mexican modal balance in freight transport tips even more toward trucks.)¶ The growth in truck transport has led to a less environmentally-friendly environment.5 Road transport is a heavy user of energy and a heavy generator of emissions of nitrogen oxide (NOx) and particulate matters (PM), increasing environmental pressures already associated with combustion. Most forms of transport have a large carbon footprint as well.6¶ Because NAFTA truck traffic has been concentrated at border regions and along trade corridors, increasing pressure has been put on infrastructure capacity particularly at border crossings and on the environment. This has transformed some communities into “high impact locales—places where environmental pressures (have) concentrated to overwhelm the available supports”7

### Infrastructure No Solve

#### Infrastructure improvements aren’t sufficient – new staffing is needed

Gonzalez 2012   
Testimony of Jose D. Gonzalez Chairman of the Board Laredo Licensed U.S. Customs Broker Association May 1, 2012 Use of Technology to Facilitate Trade and Enhance Security at our Ports of Entry Before the 112th Congress Committee on Homeland Security Subcommittee on Border and Maritime Security U.S. House of Representatives <http://homeland.house.gov/sites/homeland.house.gov/files/Testimony-Gonzalez.pdf>

CBP Officers at the Port of Laredo do an incredible job of keeping our country safe. I had an opportunity ¶ to go behind the scenes and get an introduction into the training and technology that CBP Officers' utilize ¶ to do their job effectively and efficiently when I participated in the inaugural eight week CBP Field ¶ Operations Citizens Academy last year and I was thoroughly impressed at how much CBP Officers do ¶ and how quickly they do it. Searching for alternatives to reduce delays while increasing security at the ¶ Port of Laredo for commercial traffic is not an easy task. Regardless of how well CBP Officers are doing¶ given their resources, I believe that there is always an opportunity to improve - especially with additional ¶ funding for technology and personnel.¶ ADDITIONAL INFRASTRUCTURE REQUIRES ADDITIONAL PERSONNEL¶ In May 2011, seven new primary inspection booths for commercial traffic were opened, nearly doubling ¶ the capacity at the World Trade Bridge. With a total of 15 primary inspection booths and improvements to ¶ the secondary express and exit gate areas, the World Trade Bridge has the infrastructure to handle a ¶ record number of shipments. The improvements to the infrastructure can only be fully utilized with ¶ additional CBP Officers. Additional personnel are needed now because northbound traffic currently peaks ¶ between about 9 am to nearly 4pm every day during the week.

### Regulatory Probs

#### Different regulatory regimes impede trade – differences in cargo liability and truck weight limits make efficient trans-border shipping difficult

Harrington 2013   
“U.S.—Mexico Trade: Two-Way Traffic” January Inbound Logistics Lisa H. Harrington Supply chain management consultant, professor, research center associate director, University of Maryland, Robert H. Smith School of Business http://www.inboundlogistics.com/cms/article/us-mexico-trade-two-way-traffic/

A second border-related issue affecting U.S.-Mexico supply chains is the disparity in the legal and regulatory regimes of the two countries. One example is cargo liability.¶ In handling border crossings, Mexican customs brokers are liable for comparing the physical freight to the documentation to make sure they match, and for deciding classification and duty rates for goods crossing the border. If any issues or discrepancies arise, the Mexican broker can face penalties or lose its license.¶ "Mexican brokers often stop the freight, unload the trailer, and inspect the goods," Ryley says. "That takes time. Less-than-truckload (LTL) shipments from all over the United States get trapped by customs brokers on the border, waiting to be consolidated into truckload shipments." This unloading and re-loading, with interim warehousing, make exporting to Mexico more complex.¶ Another regulatory impediment that adds cost to cross-border trade is truck weight limits. "Truck weight limits are not harmonized among the three NAFTA countries," explains Sonney Jones, director of transportation at Dal-Tile, a Dallas-based subsidiary of Mohawk Industries that manufactures ceramic tile products in several countries. "Canada and Mexico allow 25 metric tons; the U.S. limit is approximately 20 metric tons. This impacts the cost of moving goods in Mexico and Canada, because loads have to comply with the U.S. limit to cross the border. It costs Dal-Tile an additional $1 million in transportation to send shipments the 145 miles between Monterrey and Laredo at the U.S. weight instead of the Mexican weight."¶ If the three NAFTA countries all allowed 25-metric-ton capacity, freight could move seamlessly, and the cost and capacity benefits would be significant.¶ Changing U.S. truck weight limits is a daunting challenge, however. The trucking industry has lobbied Washington for heavier trucks for years, but the rail industry opposes the change, fearing freight diversion.

# Offcase

## TAFTA CP

#### TEXT: The United States federal government should invite Mexico to participate in the US-EU transatlantic free trade agreement.

#### CP solves relations – demonstrates US long term commitment to US-Mexico trade partnerships.

Farnsworth 2013 Eric Farnsworth, aff author 08 May 2013, Obama’s Mexico Trip Yielded Progress, Missed Opportunities

Briefing http://www.worldpoliticsreview.com/articles/12934/obama-s-mexico-trip-yielded-progress-missed-opportunities

These initiatives are certainly worthy, but the leaders missed an opportunity to think bigger. For example, in discussing their desire to work closely together on trade in the ongoing Trans-Pacific Partnership negotiations, they made only an oblique reference to watching other such negotiations “carefully”—namely, U.S. trade negotiations with Europe, which Mexico has asked to join and should have been part of, along with Canada, from the beginning. An announcement by the U.S. president that Mexico and Canada should be included in those talks, or at least considered, would have certainly added buzz to the visit, while continuing to build momentum toward the post-NAFTA trade and economic agenda that both presidents want to establish.

#### The CP solves trade and the economy.

HILLS 2013 International Herald Tribune, April 24, 2013 A Trans-Atlantic Trade Pact for the World Carla A. Hills is chairman and chief executive officer of Hills & Company, International Consultants, which advises companies on global trade and investment issues. Ambassador Hills served as U.S. trade representative (1989-93) in the first Bush administration and as secretary of the U.S. Department of Housing and Urban Development in the Ford administration http://www.trilateral.org/download/file/HILLS\_TRANS-ATLANTIC\_TRADE\_PACT.pdf

If we are to repeat the success of two decades ago, we will require an even greater catalyst: a regional trade agreement of such quality and scope that the rest of the world is galvanized. The Trans-Atlantic Trade and Investment Partnership recently announced by the European Union and the United States could be that catalyst. That negotiation would involve roughly half the global economy. The negotiation need not be protracted. The E.U. and the U.S. each recently concluded free trade agreements with South Korea that could serve as a template upon which to build. The proposed Trans-Atlantic Partnership could have even more heft if Canada and Mexico were added — which makes sense, since Mexico already has a free trade agreement with the E.U., and Canada is in the final stages of negotiating one. Including them would avoid having different rules covering trade involving our two largest trading partners. The global reaction to Nafta 20 years ago shows that “competitive liberalization” can be a powerful catalyst. When governments see others taking economic action that generates growth and stability, they do not want to be left out.

### US can do it alone

#### The US can ask Mexico to join - The EU doesn’t have to agree to include Mexico.

Moody 2013 Glyn Mar 13th 2013 Mexico Will Ask To Join US-EU Transatlantic Trade Agreement http://www.techdirt.com/articles/20130313/10181122311/mexico-will-ask-to-join-us-eu-transatlantic-trade-agreement.shtml

Things are moving fast with the proposed US-EU transatlantic free trade agreement (TAFTA). It was only a few weeks ago that the formal announcement was made, and already another country wants to join, as pointed out by @PostActa (original in Spanish): The Mexican government wants to be part of the negotiations of the Transatlantic Association of Trade and Investment (TTIP, in its English acronym), which the United States and European Union will be negotiating, with the idea that there will be two blocks that make up the future pact. That is, alongside the EU block of 27 countries, Mexico is suggesting there should be a similar regional grouping in North America. Interestingly, the story says that the Mexican government will ask the US President for permission to join, with no mention of asking the EU: "It is a sovereign decision of Washington as to the approach and the negotiation strategy to be adopted", and although the U.S. government has already referred to the idea, it is something that is not yet included in a formal dialogue, and needs to be defined. That suggests that the US is actively involved in this latest move -- maybe even its instigator -- and would look favorably on Mexico joining TAFTA.

### Key to trade relations

#### Including Mexico is critical to trade relations.

Moody 2013 Glyn Mar 13th 2013 Mexico Will Ask To Join US-EU Transatlantic Trade Agreement http://www.techdirt.com/articles/20130313/10181122311/mexico-will-ask-to-join-us-eu-transatlantic-trade-agreement.shtml

There's also a hint in the article quoted above that Canada too might join TAFTA. Having both Mexico and Canada on board would be consistent with the US's past approach, where it allowed them to join the TPP negotiations, but on fairly humiliating terms that limit their scope of action. Whether or not Mexico and Canada become part of TAFTA, and under what terms, it's pretty clear what the US strategy here is. Just today we learned that South Korea is likely to join Japan in asking to sign up to the TPP talks. That would make TPP the defining international agreement for the entire Pacific region. TAFTA obviously aims to do the same for the Atlantic. As well as establishing the US as the key link between the giant TPP and TAFTA blocs, this double-headed approach would also isolate the main emerging economies -- Brazil, Russia, India and above all China -- if they refuse to join as presumably junior partners. That globe-spanning pair of trade pacts, it would seem, are what Obama hopes to be remembered for when he leaves office: his legacy to America -- and to history.

## Railroads CP

### CP Solves

#### CP – text?

#### RRs solve supply chain inefficiency between the US and Mexico.

Harrington 2013   
“U.S.—Mexico Trade: Two-Way Traffic” January Inbound Logistics Lisa H. Harrington Supply chain management consultant, professor, research center associate director, University of Maryland, Robert H. Smith School of Business http://www.inboundlogistics.com/cms/article/us-mexico-trade-two-way-traffic/

The rail industry has the opportunity to move from a "defensive" position in terms of cargo weight to an "offensive" position, Jones believes. "The railroads could offer heavyweight intermodal service to harmonize weights on NAFTA traffic, and grow their business at the same time," he says. "U.S. intermodal yards could be treated as inland ports, and allow heavyweight movements within a restricted zone around the inland port," Jones continues. "This would harmonize cargo weights within NAFTA, without opening up U.S. highways to heavier trucks. This approach not only reduces costs, but could generate additional revenue for the railroads. And it's a way to address the capacity shortage that may occur as the economy recovers." Despite these issues, there is good news regarding cross-border logistics management. Intermodal transportation, for example, is improving rapidly and becoming a popular alternative to all-truck transportation. "Shippers now have the option of more reliable, seamless intermodal service between the United States and Mexico," says Val Noel, president of Pacer Cartage and executive vice president of intermodal operations at Pacer International, a 3PL based in Dublin, Ohio. "Intermodal offers a 15- to 20-percent cost advantage over truck." These improvements to intermodal service come as a result of equipment and connectivity enhancements. Connectivity at the border between the forwarding and receiving railroads has greatly improved, reducing or eliminating the delays that once characterized this handoff. For example, Kansas City Southern offers its TransBorder service, an all-rail service between the United States and Canada and major Mexican markets through collaboration with Kansas City Southern de México. Shipments do not stop at the border for customs clearance. Instead, they travel in bond, clearing customs at interior Mexican origins and destinations. TransBorder offers a through-rate structure that provides shippers a single price and bill for ramp-to-ramp shipments to and from Mexico. Other important developments that support improved intermodal service include: Automation and streamlined requirements create a more efficient and effective customs clearance process. Mexico has taken steps to improve customs clearance, in particular by expanding hours of operation. Traditionally, Mexico's customs service only operated Monday through Friday, with no weekend service. Now they work to clear cargo on the weekend. Substantial funds have been invested in Mexico's intermodal terminal infrastructure—as well as in containers and chassis, technology for terminal reporting, and track-and-trace systems.

#### More RRs

Goodwill 2013   
Dan Goodwill, MBA, P. Log He has held executive level positions with some of the largest trucking and logistics companies in North America. Founder Dan Goodwill & Associates, consultant for shippers in Canada, the United States and Mexico 22 March 2013 <http://www.dantranscon.com/index.php/blog/entry/almost-20-years-since-nafta-the-mexican-freight-boom-may-finally-be-here--intermodal-shipping-may-be-big-winner>

Of course, geography is a key factor. Mexico not only sits across the U.S. border but it is a gateway to the Latin American markets that are buying Mexico’s autos, appliances and advanced electronics. The shorter transit times on shipping between Mexico and the United States and Canada are a big advantage over ocean shipping from Asia. Manufacturing activity in Mexico is booming. While much of the world experienced slow growth or recession in 2012, Mexico had 6% GDP growth. Manufacturers in Mexico have well established supply chains that ship finished product north to U.S. markets, while raw materials move south to service their production lines. The country produced 2.8 million cars last year. Japanese auto makers, Audi, Honda, Mazda and Nissan, are all set to open new plants in Mexico in 2014. Mexico’s expertise in manufacturing plasma TVs and plastic toys is driving manufacturing from China to Mexico. Intermodal Transportation may be the Big Winner The transportation industry is taking notice of the economic developments in Mexico. Rail in Mexico was underdeveloped because the state-owned railroad company stopped investing in it in the years just before privatization. When the private sector took over, the new rail carriers started improving the network and heavily marketing their services. Plenty of opportunity remains to be tapped. As Mexican railways invest in upgrades that make their services more reliable, shippers are more apt to consider rail—especially intermodal—as a less expensive alternative to long-haul truck. Rail costs are typically 20% less than truck on cross-border movements. Goods cross the border via rail without delay and without non-value-added warehousing and transloading that has been common practice for decades. The customs process for a train hauling 250 containers takes roughly 30 minutes compared with a minimum two-hour wait for a single-load carrying truck. Plus, for nearly all cross-border trucking moves, it costs $150 to $200 to shuttle the load across because few U.S. trucking operators operate south of the border. These cost and service advantages may encourage shippers that have been wary of the Mexican market. Rail transportation in Mexico still enjoys a great deal of growth potential. Rail carries about 42 percent of freight in the United States and 60 percent in Canada, but only 26 percent in Mexico. If the rails concentrate on boosting that share to 35 or 40 percent, the industry could see significant growth opportunities.

## Canada CP

#### Canada wants to fund the plan

**Pastor 8** [Robert A. Pastor, Director of Center for North American Studies, “The Solution to North America’s Triple Problem: The Case for a North American Investment Fund” Office of International Affairs, January 2008 http://www.american.edu/sis/cnas/upload/triple\_problem\_pastor.pdf]

¶ A second question is: why should Canada contribute to a fund for the ¶ development of Mexico? Canada, of course, had difficulty seeing Mexico over the United ¶ States but, with the approval of NAFTA, it began to develop its relationship with Mexico. ¶ As its trade and investment increased, Canada recognizes that Mexico’s development will ¶ yield economic benefits. Canada has an increasing number of emigrants from Mexico, ¶ particularly in the west. Canada does not have a stake in Mexico’s development ¶ comparable to that of the United States but it does have a sizeable foreign aid program. ¶ The question is whether that aid should continue to be aimed in the poorest countries or ¶ whether it should be part of a new North American strategy. ¶ In addition to economic interests, there are three reasons why Canada should want ¶ to build a North American Community and contribute to a fund to narrow the ¶ development gap. First, Canada is a multilateral institution-builder and there is no ¶ relationship more important to Canada than with the United States (James, Michaud, ¶ O’Reilly, 2007, ch. 1). It follows that a tri-national institution could be constructed in a ¶ manner that would serve Canada’s long-term interests in assuring that the U.S. negotiates ¶ fairly and complies with the rules of an agreement. Secondly, Canada wants the U.S. to ¶ pay attention to its concerns and is frustrated that it does not. A joint approach with ¶ Mexico, which can gain US attention because of the large Mexican-American population, ¶ would certainly assist Canada. But Mexico and Canada are likely to be more effective if ¶ they pursue fair rules rather than appear as if they are conspiring against the U.S.

## States CP

### States CP 1NC

#### The 50 states and territories of the United States should fund substantial infrastructure improvements at Points of Entry along the United States – Mexico border.

#### States and localities could fund POE improvements – only minor changes at the federal level would be required

Wilson & Lee 2013  
 Erik Lee, Associate Director at the North American Center for Transborder Studies (NACTS) at Arizona State University, Christopher E. Wilson, Associate at the Mexico Institute of the Woodrow Wilson International Center for Scholars “THE STATE OF TRADE, COMPETITIVENESS AND ECONOMIC WELL-BEING INTHE U.S.-MEXICO BORDER REGION” The State of The Border report: A Comprehensive Analysis of the U.S.-Mexico Border Border Research Partnership May 2013 <http://www.wilsoncenter.org/sites/default/files/mexico_state_of_border.pdf>

Given the fact that POE improvements offer significant and tangible monetary benefits to border communities and trade-dependent industries, state, local and private entities are often willing to contribute funding to border infrastructure projects. Under the current budgetary constraints, it makes sense for federal agencies to take full advantage of these alternative funding sources. Along the Texas-Mexico border, the majority of POEs are owned by the city or county in which they are located. This model for infrastructure investment could be expanded along other parts of the U.S.-Mexico border, but changes to current federal legislation appear to be necessary to allow CBP to “accept reimbursement from sources other than Congress.”17 As demonstrated above, additional staffing is and will be increasingly necessary as trade increases. With the active support of border stakeholders across the region, a proposal along these lines designed in collaboration with federal agencies could likely garner legislative support and could open significant opportunities for investment despite tough budgetary times.

### Ext: CP Solves/Causes Plan

#### State action solves – greater state initiative leads to national level policy realignment

Gerber et al. 2010   
James Gerber, PhD California Davis San Diego State University Director of the Center for Latin American Studies (CLAS) and a Professor of Economics;Francisco Lara-Valencia , PhD Umich, Arizona State University Associate Professor, Director, Research Network for Transborder Development and Governance; Carlos de la Parra, El Colegio de la Frontera Norte, PhD Umich, professor Urban and Environmental Studies at El Colegio de la Frontera Norte. “Re-Imagining the U.S.-Mexico Border: Policies toward a More Competitive and Sustainable Transborder Region” Global Economy Journal Volume 10, Issue 4 2010

The trajectory toward crossborder integration and the increasing political maturity of the ten border states are the underpinnings of the term “transborder,” as we use it here and as it being use by the Border Governors Conference. The Border Governors Conference launched in 2009 a set of Strategic Guidelines, or Plan Indicativo, in an attempt to define policies for the U.S.-Mexico border region as a whole as well as to have a greater voice in the future of overall U.S.- Mexico relations. We argue that this claim to an increased voice in national policies for border states will tend towards a greater partnership between national and regional interests, rather than promoting a tug-of-war between border states and national capitals. Regional-national partnership is essential, both for the social and economic development of the border region, and for the strengthening of U.S.-Mexico ties.

#### Uniform state action is good – induces national coordination and action

Gerber, Lara-Valencia & de la Parra 2010

Gerber et al 10  
James Gerber, PhD California Davis San Diego State University Director of the Center for Latin American Studies (CLAS) and a Professor of Economics;Francisco Lara-Valencia , PhD Umich, Arizona State University Associate Professor, Director, Research Network for Transborder Development and Governance; Carlos de la Parra, El Colegio de la Frontera Norte, PhD Umich, professor Urban and Environmental Studies at El Colegio de la Frontera Norte. “Re-Imagining the U.S.-Mexico Border: Policies toward a More Competitive and Sustainable Transborder Region” Global Economy Journal Volume 10, Issue 4 2010

In the context of these challenges, together with deepening cross-border¶ demographic, social, and economic ties, the need for a common vision is¶ increased rather than diminished. The relevance of this vision for the region—¶ and its articulation as a bi-national policy framework—cannot be overstated. As¶ shown by Papademetriou and Meyers (2001), border communities are more likely¶ to influence national policies when they speak about their needs and opportunities¶ with a common voice. In addition, at the local level, a shared image of the future¶ of the border region is necessary for the articulation of clear and actionable goals¶ and for the creation of guidelines that encourage the engagement of public,¶ private and social actors in policy making and collective action.

## Disads – Politics

### Politics Link – Immigration

#### Current US border-security strategy built on deference – engagement risks opening up huge fights due to encroachments from Obama and Nieto

Fox 5/3/13 (“Obama, Peña Nieto Talk Shift In Security Cooperation”, <http://latino.foxnews.com/latino/politics/2013/05/03/obama-pena-nieto-talk-shift-in-security-cooperation/>, CMR)

But being careful not to intrude on the southern neighbor's sovereignty, Obama noted that Mexicans have the right to determine how best to tackle the violence that has plagued their country. He spoke during a press conference Thursday with Mexican President Enrique Peña Nieto.¶ Since taking office in December, Peña Nieto has moved to end the widespread access that U.S. security agencies have had in Mexico to tackle the violence that affects both sides of the border. It's a departure from the strategy employed by his predecessor, Felipe Calderon, which was praised by the U.S. but reviled by many Mexicans.¶ "I agreed to continue our close cooperation on security, even as the nature of that cooperation will evolve," Obama said during a joint news conference at Mexico's grand National Palace. "It is obviously up to the Mexican people to determine their security structures and how it engages with the other nations — including the United States."¶ Peña Nieto also downplayed the notion that the new, more centralized arrangement would damage its security partnership with the United States. He said Obama agreed during their private meeting earlier in the day to "cooperate on the basis of mutual respect" to promote an efficient and effective strategy.¶ Obama arrived in Mexico Thursday afternoon for a three-day trip that includes a stop in Costa Rica on Friday. Domestic issues followed the president south of the border, with Obama facing questions in his exchange with reporters about the potential escalation of the U.S. role in Syria, a controversy over contraception access for teenage girls, and the delicate debate on Capitol Hill on an immigration overhaul.¶ The latter issue is being closely watched in Mexico, given the large number of Mexicans who have emigrated to the U.S. both legally and illegally. More than half of the 11 million people in the U.S. illegally are Mexican, according to the Pew Research Center.¶ For Obama, the immigration debate is rife with potential political pitfalls. While he views an overhaul of the nation's patchwork immigration laws as a legacy-building issue, he's been forced to keep a low-profile role in the debate to avoid scaring off wary Republicans.¶ In an effort to court those GOP lawmakers, the draft bill being debated on Capitol Hill focuses heavily on securing the border with Mexico, and makes doing so a pre-condition for a pathway to citizenship for those in the U.S. illegally. But Florida Republican Sen. Marco Rubio, one of the bill's architects, said Thursday that unless the border security measures are made even tougher, the legislation will face tough odds not only in the GOP-controlled House but also in the Democratic-led Senate.¶ The president acknowledged there were some areas along the 2,000-mile border between the U.S. and Mexico where security needs to be tightened. But he gently chided Rubio and other Republicans for putting up obstacles that would derail final legislation.¶ "I suspect that the final legislation will not contain everything I want. It won't contain everything that Republican leaders want, either," Obama said. He added that "what I'm not going to do is to go along with something where we're looking for an excuse not to do it as opposed to a way to do it."¶ Despite the intense interest in the immigration debate among Mexicans, Peña Nieto carefully avoided injecting himself in the issue. While he commended the U.S. for tackling the challenge, he said the congressional debate "is a domestic affair."¶ The new Mexican leader was purposely seeking to avoid the perceived missteps of former Mexican President Vicente Fox, who irked conservatives in the U.S. by lobbying for an immigration overhaul in 2001.¶ Peña Nieto's election brought Mexico's Institutional Revolutionary Party, or PRI, back to power after a decade on the sidelines. The security changes are emblematic of the party's preference for centralized political and bureaucratic control.¶ The arrangement means all contact for U.S. law enforcement will now go through a "single door," according to Mexico's federal Interior Ministry, the agency that controls security and domestic policy. Under the previous policy, FBI, CIA, DEA and Homeland Security had direct access to units of Mexico's Federal Police, army and navy. ¶ U.S. agents worked side by side with those Mexican units in the fight against drug cartels, including the U.S.-backed strategy of killing or arresting top kingpins.¶ Obama lauded his Mexican counterpart for launching bold reforms during his first months in office, not only on security but also the economy. Both leaders have said they want to refocus the U.S.-Mexico relationship on trade and the economy, not the drug wars and immigration issues that have dominated the partnership in recent years.

#### The plan derails immigration reform

Shear, 13 (Michael, NYT White house correspondent, 5/5, <http://www.nytimes.com/2013/05/05/world/americas/in-latin-america-us-shifts-focus-from-drug-war-to-economy.html?pagewanted=all>, CMR)

Last week, Mr. Obama returned to capitals in Latin America with a vastly different message. Relationships with countries racked by drug violence and organized crime should focus more on economic development and less on the endless battles against drug traffickers and organized crime capos that have left few clear victors. The countries, Mexico in particular, need to set their own course on security, with the United States playing more of a backing role. That approach runs the risk of being seen as kowtowing to governments more concerned about their public image than the underlying problems tarnishing it. Mexico, which is eager to play up its economic growth, has mounted an aggressive effort to play down its crime problems, going as far as to encourage the news media to avoid certain slang words in reports. “The problem will not just go away,” said Michael Shifter, president of the Inter-American Dialogue. “It needs to be tackled head-on, with a comprehensive strategy that includes but goes beyond stimulating economic growth and alleviating poverty. “Obama becomes vulnerable to the charge of downplaying the region’s overriding issue, and the chief obstacle to economic progress,” he added. “It is fine to change the narrative from security to economics as long as the reality on the ground reflects and fits with the new story line.” Administration officials insist that Mr. Obama remains cleareyed about the security challenges, but the new emphasis corresponds with a change in focus by the Mexican government. The new Mexican president, Enrique Peña Nieto, took office in December vowing to reduce the violence that exploded under the militarized approach to the drug war adopted by his predecessor, Felipe Calderón. That effort left about 60,000 Mexicans dead and appears not to have significantly damaged the drug-trafficking industry. In addition to a focus on reducing violence, which some critics have interpreted as taking a softer line on the drug gangs, Mr. Peña Nieto has also moved to reduce American involvement in law enforcement south of the border. With friction and mistrust between American and Mexican law enforcement agencies growing, Mr. Obama suggested that the United States would no longer seek to dominate the security agenda. “It is obviously up to the Mexican people to determine their security structures and how it engages with other nations, including the United States,” he said, standing next to Mr. Peña Nieto on Thursday in Mexico City. “But the main point I made to the president is that we support the Mexican government’s focus on reducing violence, and we look forward to continuing our good cooperation in any way that the Mexican government deems appropriate.” In some ways, conceding leadership of the drug fight to Mexico hews to a guiding principle of Mr. Obama’s foreign policy, in which American supremacy is played down, at least publicly, in favor of a multilateral approach. But that philosophy could collide with the concerns of lawmakers in Washington, who have expressed frustration with what they see as a lack of clarity in Mexico’s security plans. And security analysts say the entrenched corruption in Mexican law enforcement has long clouded the partnership with their American counterparts. Putting Mexico in the driver’s seat on security marks a shift in a balance of power that has always tipped to the United States and, analysts said, will carry political risk as Congress negotiates an immigration bill that is expected to include provisions for tighter border security. “If there is a perception in the U.S. Congress that security cooperation is weakening, that could play into the hands of those who oppose immigration reform,” said Vanda Felbab-Brown, a counternarcotics expert at the Brookings Institution in Washington. “Realistically, the border is as tight as could be and there have been few spillovers of the violence from Mexico into the U.S.,” she added, but perceptions count in Washington “and can be easily distorted.” “Drugs today are not very important to the U.S. public over all,” she added, “but they are important to committed drug warriors who are politically powerful.” Representative Michael T. McCaul, a Texas Republican who is chairman of the Homeland Security Committee, has warned against the danger of drug cartels forming alliances with terrorist groups. “While these threats exist, you would be surprised to find that the administration thinks its work here is done,” he wrote in an opinion article for Roll Call last month, pressing for more border controls in the bill. The Obama administration has said any evidence of such cooperation is very thin, but even without terrorist connections, drug gangs pose threats to peace and security. Human rights advocates said they feared the United States would ease pressure on Mexico to investigate disappearances and other abuses at the hands of the police and military, who have received substantial American support. The shift in approach “suggests that the Obama administration either doesn’t object to these abusive practices or is only willing to raise such concerns when it’s politically convenient,” said José Miguel Vivanco, director of Human Rights Watch’s Americas division. Still, administration officials have said there may have been an overemphasis on the bellicose language and high-profile hunts for cartel leaders while the real problem of lawlessness worsens. American antidrug aid is shifting more toward training police and shoring up judicial systems that have allowed criminals to kill with impunity in Mexico and Central America. United States officials said Mr. Obama remains well aware of the region’s problems with security, even as he is determined that they not overshadow the economic opportunities. It is clear Mr. Obama, whatever his words four years ago, now believes there has been too much security talk. In a speech to Mexican students on Friday, Mr. Obama urged people in the two countries to look beyond a one-dimensional focus on what he called real security concerns, saying it is “time for us to put the old mind-sets aside.” And he repeated the theme later in the day in Costa Rica, lamenting that when it comes to the United States and Central America, “so much of the focus ends up being on security.” “We also have to recognize that problems like narco-trafficking arise in part when a country is vulnerable because of poverty, because of institutions that are not working for the people, because young people don’t see a brighter future ahead,” Mr. Obama said in a news conference with Laura Chinchilla, the president of Costa Rica.

### Politics Link – AT: Link Turns

#### No link turns – Politically charged debate crowds-out perceived benefits

Stratfor 5/2/13 (“Evolving U.S.-Mexico Relations and Obama's Visit”, <http://www.stratfor.com/analysis/evolving-us-mexico-relations-and-obamas-visit>, CMR)

Security Cooperation and Centralization¶ Pena Nieto's predecessor, the National Action Party's Felipe Calderon, focused heavily on Mexico's security challenges and oversaw the sustained military offensive against criminal organizations throughout the country. Pena Nieto has yet to elaborate much on his plans to address the security issues, but he has emphasized the need to combat street violence and kidnappings, while playing down the importance of combating drug trafficking -- a U.S. priority.¶ But ahead of Obama's visit, certain details have emerged indicating that the Pena Nieto administration intends to change the nature of intelligence cooperation between the United States and Mexico. Until now, the two countries' various law enforcement and intelligence agencies have been able to interact directly, but Mexico's interior ministry will begin overseeing all intelligence collaboration.¶ This centralization effort has not been isolated to cooperation with the United States. The Mexican Interior Ministry has also taken charge of the federal police, and Pena Nieto intends to eventually create a national gendarmarie under the interior secretariat in order to fill the role in the drug wars currently played by the Mexican military with a security body better equipped with law enforcement training.¶ Thus, the extent and manner to which this centralization will affect security cooperation with the United States is unclear. But the changes are primarily designed to give Mexico greater control over the intelligence process involved in combating the country's violent gangs. The intention is not to block U.S. collaboration and assistance, but rather to reform existing structures.¶ Domestic Issues, Bilateral Implications¶ While Mexico reorients its internal focus to structural changes that its leaders hope will lay foundations for economic development, the country could also be affected by domestic issues under debate in the United States. For years, Mexico has been pressing the United States to enact stricter gun laws. Though a prominent gun control bill failed in the U.S. Senate on April 17, the issue will likely re-emerge later in 2013, and at least some gun control measures currently enjoy broad popular support. Meanwhile, demographic changes in the United States are driving a debate about immigration reform that, if implemented, would require collaboration with Mexico, many of whose citizens would seek to legalize their residential status in the United States.¶ Though the passage of these reforms will similarly be determined solely by U.S. domestic political factors, their success would be a significant boon for bilateral relations with Mexico. Indeed, for Obama and Pena Nieto, the effects each feel of the other's policy decisions will be magnified by the unique demographic, geographic and economic ties binding their countries. Yet, the domestic environment and political calculations in each country will ultimately shape the effects of this period of political change.¶ The U.S. political decision-making process is largely isolated from international influence, and the Pena Nieto administration likewise appears to be consolidating key policy areas under Mexican control at the expense of U.S. influence. Still, Mexico's steady emergence as an economic power in North America sets the stage for a bilateral relationship much more heavily focused on opportunities for economic cooperation.

### Politics Link - PC

#### Engaging Mexico drains PC

Farnsworth 12 – VP of the Council of the Americas and Americas Society (Eric, “The United States and Mexico: The Path Forward”, Nov 30, <http://www.americanprogress.org/issues/security/news/2012/11/30/46430/the-united-states-and-mexico-the-path-forward/>, CMR)

The election of Enrique Peña Nieto and the re-election of President Obama mean that the U.S.-Mexican relationship has a unique opportunity to grow closer and bring numerous benefits to both sides of the border. To fully appreciate this unique opportunity, both sides must invest political capital and be prepared to engage domestic public opinion when it comes to explaining why our countries are united by much more than a fence.

#### Real changes require PC – failed rhetorical commitments prove

Corcoran 9 (Patrick, “Shift in Tone Not Enough for U.S.-Mexico Relations”, April 16, <http://www.worldpoliticsreview.com/articles/3618/shift-in-tone-not-enough-for-u-s-mexico-relations>, CMR)

But while the shift in tone is laudable, the impact of rhetoric alone will be limited in both duration and depth. Unfortunately, while Obama's team has reinforced cooperative security measures already in place to help Mexico battle against drug cartels, it has remained unwilling to commit to more fundamental changes in U.S. policy. Among such possible transformations to the bilateral status quo, two U.S. legislative initiatives stand out for the impact they might have on the drug war in Mexico. ¶ First, the Obama administration should pursue a new ban on assault weapons, much like the one that expired in 2004, but without the loopholes that allowed slightly modified machine guns to qualify as legal. Since Mexico is already overrun with weapons, such a ban wouldn't drive violence down overnight, and the larger criminal organizations would still be able to find willing suppliers elsewhere. However, a strengthened ban would force drug gangs to divert a larger proportion of their profits to weapons purchases, which would make it harder for smaller groups to stockpile arsenals. It would also eventually reduce the number of weapons in the country, making Mexico less prone to outbreaks of warfare between criminal gangs. However, when asked about a new ban last month on Face the Nation, Obama demurred.¶ Second, the Obama administration should seek the legalization of marijuana, which remains the most profitable source of revenue for Mexican smugglers. Polls show that close to half of the U.S. public favors the move, which would have a greater direct impact on the profitability of Mexico's drug gangs than any other single action. A growing chorus of mainstream analysts, including Time's Joe Klein and the Washington Post's Eugene Robinson, has also called for the regulated, legal sale of cannabis in recent weeks. ¶ Yet, when questioned about the possibility of legalizing marijuana at his recent online town hall meeting, Obama -- who has himself admitted to having smoked marijuana -- poked fun at those interested in the issue before summarily dismissing it. The context of the War on Drugs, which demonizes all discussions of legalization, might make such a reaction good politics. But it remains poor policy. ¶ In other realms, Obama has been similarly timid. He has been unwilling to expend political capital to renew a program that would allow Mexican trucks to traverse U.S. roads, much to the dismay of Mexican exporters and NAFTA supporters. More significantly, while Obama has ratcheted up his rhetoric on immigration reform, it remains at best the third-highest priority on his domestic agenda. ¶ All of this means that despite the wave of Mexican enthusiasm for the new U.S. government and the tone it has struck, the bilateral relationship won't differ fundamentally from that under former presidents George W. Bush and Bill Clinton. While Obama and his administration deserve credit for reappropriating the terms of the bilateral conversation, his administration shouldn't be surprised if Mexico soon loses its infatuation with attractive rhetoric wrapped around the same old problems.

#### The plan is politically unpopular.

Wilson May 2013   
Christopher E. Wilson Associate at the Mexico Institute of the Woodrow Wilson International Center for Scholars, where he develops the Institute’s research and programming on regional economic integration and U.S.-Mexico border affairs. “A U.S.-Mexico Economic Alliance: Policy Options for a Competitive Region” in New Ideas for a New Era: Policy Options for the Next Stage in U.S.-Mexico Relations Woodrow Wilson Center Mexico Institute Print Edition, <http://www.wilsoncenter.org/sites/default/files/new_ideas_new_era.pdf>, CMR

Improving policy requires surmounting political opposition. Past advances in U.S.- Mexico economic relations such as the passage of NAFTA were won not only by the political leadership in both countries, but also by the coalition of business groups and other non-governmental actors. The business communities of the United States and Mexico are natural allies for any effort to implement the type of competitiveness enhancing policies described above, but the networks forged during the passage of NAFTA virtually disappeared. Efforts should be made to strengthen the networks of U.S. and Mexican businesses and civil society groups working to support a positive and productive U.S.- Mexico partnership.

### Immigration Bill solves aff

#### Gang of Eight immigration bill solves – increases border staffing and facilitates trade

Ramos 2013  
Kristian Ramos is the New Democracy Network’s Policy Director of the 21st Century Border Initiative, he also works on Immigration, Hispanic Demographics and the Southwest Border, “Reason for optimism on border section of immigration legislation” May 19, 2013.http://www.voxxi.com/reason-border-immigration-legislation/#ixzz2UhG1f9Gq

Border Communities Are Safe: Since 2002 our immigration enforcement budget has tripled from $6.2 billion to $18 billion in 2012. We have already seen significant improvement in staffing between our ports of entry that has resulted in a reduction in violent crime along the 11 largest cities along our southern border. This increase in personnel has also resulted in an increase in apprehension rates in high traffic crossing areas. A December report from the Government Accountability Office reported that of the Border Patrol’s nine southwest-border sectors, five had more than 30,000 apprehensions in fiscal 2011, making them a “high traffic” corridor. Of these five, San Diego, CA had a 92 percent apprehension rate, El Centro, CA 91 percent, Tucson, AZ 87 percent, Laredo, TX 84 percent and the Rio Grande corridor in Texas was 71 percent. As such the Senate legislation acknowledges these gains in security by balancing enforcement and economic investment in the region. The U.S.-Mexico relationship is essentially a commercial one: For years the U.S. has viewed our relationship through the prism, today while there are certainly security issues on the Mexico side of the border, there is now an equally compelling economic story to be told. In a new NDN/New Policy Institute report “Realizing the Strategic National Value of our Trade, Tourism and Ports of Entry with Mexico” we note: Six million U.S. jobs depend on our trade with Mexico. Mexico is our nation’s number two export market in the world and our number three trading partner overall. Mexico is our nation’s second most important foreign tourism market as well as the fourth-ranked in terms of spending by tourists. The bipartisan “Gang of Eight’s” Border Security, Economic Opportunity, and Immigration Modernization Act of 2013 proposes the addition of 3,500 additional Customs and Border Protection officers to staff the ports of entry on the southern border. It would seem that Congress is finally acknowledging a simple truth, investing in the facilitation of greater trade through our southern border is an investment in our national economy. Twenty-three states have Mexico as their number one or number two trading partner. As such it should come as no surprise that after the first week of markup the additional staffing has remained in the legislation and is likely to be included or enhanced in the House version of the bill.

## Disads - China

### 1NC

#### Unique link – China’s current economic strategy is allowing them to outpace US influence in Latin America – plan reverses that

Gallagher 6/18/13 – associate professor of international relations at Boston University (Kevin P, “Time for a U.S. Pivot to Latin America”, <http://www.theglobalist.com/storyid.aspx?storyid=10035>, CMR)

Increasingly, Latin American countries see China not as a rival but as a valuable trading partner. In fact, explains Kevin Gallagher, China has become a better partner in many ways than the United States. China is offering attractive deals to Latin American economies, while the United States continues to lecture and dictate. It's time for a real reset in U.S.-Latin American trade relations.¶ The Obama administration and U.S. media have made much ado about the U.S. "pivot" to Asia.¶ What has largely escaped their attention, however, is that China has been lining up economic allies in the erstwhile "backyard" of the United States.¶ Well, just as serious competition ought to awaken one's creative juices in business, it is time for the United States to step up a suitable economic policy for Latin America before it is too late.¶ The difference in approaches by the United States and China in Latin America were squarely brought into focus just in recent weeks when U.S. Vice President Joseph Biden and Chinese President Xi Jinping made tours of Latin America.¶ The United States principal offer to its Latin American neighbors is the Trans-Pacific Partnership. The TPP offers access to the U.S. market to Latin American and Asian nations on the basis of a triple form of conditionality.¶ First, they must deregulate their financial markets; second, adopt intellectual property provisions that give preferences to U.S. firms; and third, allow private U.S. firms to directly sue governments of countries that sign up to the TPP for violating any of its conditions.¶ Talk about a heavily conditioned offering. So what's the Chinese approach?¶ On his visit to the region, China's President Xi Jinping offered more than $5.3 billion in financing, with few conditions attached, to China's newfound Latin American friends.¶ These offers will need to be confirmed, but according to press reports the Chinese have signed deals on this trip for:¶ $3 billion in commitments to eight Caribbean countries for infrastructure and energy;¶ $1.3 billion to Costa Rica in loans and lines of credit, including a $900 million dollar loan from the Chinese Development Bank for upgrading a petroleum refinery and a $400 million dollar line of credit for road infrastructure from the Chinese Ex-Im Bank; and a¶ $1 billion credit line from the China Ex-Im bank to Mexico for its state-owned oil company PEMEX.¶ Making available this financing comes on top of the already $86 billion in financing provided by China to Latin American governments since 2003.¶ China offers Latin American countries what they want, while U.S. offers always come with strings attached.¶ Granted, that amount — large as it sounds — seems just like another number in today's world.¶ To put it into proper perspective, consider this:¶ Since 2003, thus over the past decade, China's policy banks have provided more finance to Latin America than their counterparts at the World Bank, the Inter-American Development Bank and the U.S. Export-Import Bank.¶ If anything ought to awaken the United States from its past slumber and taking Latin America essentially for granted, that comparison ought to do it.¶ Simply put, the United States and the array of largely Western-dominated international financial institutions have been outgunned by China's financial muscle. Welcome to the brave new world!¶ But it's not just a matter of sheer numbers. Unlike U.S. trade treaties or the finance from the international financial institutions largely under U.S. control, China offers up its loans come with few strings attached.

#### Internal link – US-Sino competition risks open conflict

Ellis 6/6/13 – associate professor with the William J. Perry Center for Hemispheric Defense Studies (R Evan, “China's New Backyard”, <http://www.foreignpolicy.com/articles/2013/06/06/china_s_new_backyard_latin_america?page=full>, CMR)

The challenge to Washington from China's presence in the region also extends beyond economics and policy objectives. The U.S. Defense Department's critical posture regarding Chinese cyberattacks is a reminder that hostilities between the United States and China, though highly improbable and undesirable, are not unthinkable. In such a conflict, China-operated ports, airports, telecommunications infrastructure, and other parts of the Chinese commercial presence in Latin America would represent potential assets in a global asymmetric warfare campaign against the United States.

#### Impact – US-China war causes extinction

Johnson 2 – president of the Japan Policy Research Institute, a tax-exempt nonprofit educational and research organization (Chalmers, Okinawa Between the United States and Japan, January, <http://www.jpri.org/publications/occasionalpapers/op24.html>, CMR)

China is another matter. **No sane figure** in the Pentagon **wants a war with China,** and all serious US militarists know that China’s minuscule nuclear capacity is not offensive but a deterrent against the overwhelming US power arrayed against it (twenty archaic Chinese warheads versus more than 7,000 US warheads). Taiwan, whose status constitutes the still incomplete last act of the Chinese civil war, remains the most dangerous place on earth. Much as the 1914 assassination of the Austrian crown prince in Sarajevo led to a war that no wanted, a misstep in Taiwan by any side could bring the **U**nited **S**tates **and China in**to **a conflict** that neither wants. Such a war **would bankrupt the U**nited **S**tates, deeply divide Japan **and probably end in a Chinese victory, given that China is the world’s most populous country and would be defending itself against a foreign aggressor.** More seriously, **it could easily escalate into a** nuclear holocaust. However, given the nationalistic challenge to China’s sovereignty of any Taiwanese attempt to declare its independence formally, forward-deployed US forces on China’s borders have virtually no deterrent effect.

### UQ – Cuba

#### China is sustaining economic activity with Cuba – key to regional influence

LeoGrande 13 – professor in the Department of Government, School of Public Affairs at American University in Washington, D.C. (William M, “The Danger of Dependence: Cuba's Foreign Policy After Chavez”, April 2, <http://www.worldpoliticsreview.com/articles/12840/the-danger-of-dependence-cubas-foreign-policy-after-chavez>, CMR)

As China's rapid growth has transformed it into a global powerhouse, Beijing has expanded its economic and diplomatic presence in Latin America, and is now Cuba's second-largest trade partner. China provides Cuba with a range of durable goods and capital equipment, and is investing in Cuban nickel and oil production. Like China's relations with the rest of the region, its relations with Cuba are fundamentally commercial rather than ideological, aimed at securing China's access to raw materials.

### UQ – Mexico

#### China pursuing influence in Mexico in response to US Asia pivot

The Economist 6/8/13 (“From pivot to twirl”, <http://www.economist.com/news/china/21579062-chinese-leader-tries-smooth-move-americas-backyard-pivot-twirl>, CMR)

LIKE a veteran salsa dancer, Xi Jinping, the Chinese president, has responded to the United States’s “pivot” to Asia with his own twirl south of the Rio Grande. A month after a re-elected Barack Obama paid calls on Costa Rica and Mexico, Mr Xi followed in his footsteps, visiting San José and Mexico City from June 2nd to 6th.¶ He spent the previous weekend in Trinidad and Tobago, arriving in America’s mare nostrum four days after Joe Biden, America’s vice-president. As a welcome, the 280-strong Chinese entourage was greeted with the sound of “Ah Feel to Party”, a calypso classic, and China further enhanced the mood by promising $3 billion in (unspecified) soft loans to the eight Caribbean heads of government who trailed through to meet Mr Xi. Mr Biden, by contrast, got an earful of complaints that America no longer cared about the region.¶ Ahead of his planned meeting with Mr Obama in Southern California, Mr Xi’s choice of destinations looked to some like an intriguing “shot across the bow” to America, possibly in response to Mr Obama’s courting of countries in China’s orbit, such as Myanmar. On this trip, his first to Latin America as president, Mr Xi did not visit Brazil, China’s biggest trading partner in the region, nor ideological allies Cuba and Venezuela. Instead, he chose two free-trade partners of America, one of which, Mexico, is so tightly bound to its northern neighbour that it sells to America in eight days what it sells to China in a year.¶ There was more than superpower politics in play, though. Costa Rica and Mexico are not the commodity exporters that China has tended to court. Mexico, in particular, is a rival low-cost manufacturer, raising the possibility that China, with its wages increasing and its distance from the United States hurting its competitiveness, may now be looking for export platforms to target America.¶ Mr Xi’s singling out of Mexico for special attention was his most surprising move. Last year Mexican academics complained that the bilateral relationship had reached its lowest point since diplomatic relations restarted in 1972, hit by tiffs over Mexican H1N1 flu in 2009 and a presidential audience with the exiled Tibetan leader, the Dalai Lama, in 2011. With government-to-government ties strained, finicky trade disputes all but closed the Chinese markets to Mexican goods such as tequila and pork. China’s investment in Mexico has been minute.

### Link – Mexico

#### China is successfully capturing influence in Mexico – competition with US economic tactics is zero-sum

Funaro 6/4/13 (Kaitlin, “Xi flies to Mexico as China battles US for influence in Latin America”, <http://www.globalpost.com/dispatch/news/regions/asia-pacific/china/130604/xi-flies-mexico-china-battles-us-influence-latin-ame>, CMR)

Chinese President Xi Jinping is making the most of his four-country tour of the Americas to position China as a competitor to the US and Taiwan's economic influence in the region.¶ Xi arrives in Mexico Tuesday for a three-day visit in which he and Mexican President Enrique Peña Nieto are expected to discuss their economic ties.¶ The two nations are economic partners but also competitors, particularly when it comes to exports to the United States.¶ Mexico and China both enjoy strong exports to the American market but Mexico itself has been flooded with cheap Chinese goods that are displacing domestic goods.¶ "China is a complicated case" for Mexico, Aldo Muñoz Armenta, political science professor at the Autonomous University of Mexico State told USA Today.¶ "It's not the healthiest (relationship) in diplomatic terms because the balance of trade has been so unequal."¶ When it comes to economic influence, China may be gaining the upper hand in Latin America.¶ China is increasing its funding to the region just as the US has been coming under pressure to cut aid and investment.¶ "If I’m a Latin American leader, I’m very happy because I now have more chips to play with," Kevin Gallagher, author of the 2010 book "The Dragon in the Room," about China’s inroads in Latin America, told Bloomberg.¶ "The onus is on the US to come up with a more flexible, attractive offer but that’s not so easy because it doesn’t have the deep pockets like it used to."¶ Latin America's growing economy makes for an attractive investment.¶ The International Monetary Fund forecasts the region’s economies will expand 3.4 percent this year, almost three times the pace of growth in the developed world.¶ Xi's tour of Trinidad, Costa Rica and Mexico are setting the stage for his visit to California later this week, which will be his first face-to-face talks with Obama since taking office.¶ That Xi's Latin America trip came so early into his presidency is a confident approach that shows little concern for American reaction, Evan Ellis, a professor at the National Defense University in Washington told Bloomberg.¶ "In the past Chinese presidents were very deferential to the US., always making reference to Washington’s backyard," Ellis said. "You don’t hear any of that from Xi’s team, though you don’t find any threatening rhetoric either."

#### China is gaining regional influence by pursuing engagement with Mexico – failed US strategy is key

Ellis 6/6/13 – associate professor with the William J. Perry Center for Hemispheric Defense Studies (R Evan, “China's New Backyard”, <http://www.foreignpolicy.com/articles/2013/06/06/china_s_new_backyard_latin_america?page=full>, CMR)

Make no mistake: China is now a presence in the region. Xi's trip to Trinidad and Tobago is only the second visit by a Chinese president to the Caribbean -- his predecessor, Hu Jintao, visited communist Cuba in November 2008 -- but China and the Caribbean's economic and political ties have been growing rapidly. On this trip, Xi promised more than $3 billion in loans to 10 Caribbean countries and Costa Rica. Xi's choice of three destinations near the United States, followed by a "shirt-sleeves" summit with U.S. President Barack Obama on June 7 and 8 at the Sunnylands resort in California, sends a subtle message that the new Chinese leadership seeks to engage the United States globally as an equal -- without the deference shown in the past to the United States in countries close to its borders.¶ Ironically, it's the Latin American country closest to the United States where Xi might be able to make up the most ground. Mexican President Enrique Peña Nieto's engagement with the Chinese president, both at the April summit in Boao, China, and this week in Mexico City, allow him to differentiate himself from his pro-U.S. predecessor, Felipe Calderón. Similarly, Mexico's role in forming the Pacific Alliance, a new subregional organization built around a group of four pro-market, pro-trade countries (Chile, Colombia, Mexico, and Peru) allows Mexico to reassert a leadership role in the Americas, relatively independent of the United States.

#### Lack of US economic activity is allowing China to build up influence in Mexico

USA Today 6/3/13 (“President Xi uses trip to increase China's influence”, <http://www.usatoday.com/story/news/politics/2013/06/06/presidential-china-summit-sunnylands/2397129/>, CMR)

RANCHO MIRAGE, Calif. — When Chinese President Xi Jinping's four-nation tour of the Americas comes here Friday for a two-day summit with President Barack Obama, area economists and economic development officials say China already will have taken fresh steps to bolster its economic influence in nations such as Costa Rica, Mexico, and Trinidad and Tobago.¶ Xi took office in March and has used the trip to expand China's exports and relations:¶ • Friday, the Chinese leader met with Prime Minister Kamla Persad-Bissessar of the Caribbean Republic of Trinidad and Tobago — a nation rich in liquefied natural gas — where they announced they had discussed ways to cooperate in key areas of energy, minerals, infrastructure development, telecommunications and agriculture.¶ • Monday, Xi met Costa Rican President Laura Chinchilla to discuss commercial and energy projects, including upgrading the Central American country's oil refineries and developing a free-trade zone.¶ • Tuesday, in Mexico, President Enrique Pena Nieto and business leaders met with Chinese delegates to determine ways to reduce Mexico's large trade deficit while strengthening trade links. Mexican officials said while $57 billion of Mexico's imports — 15% — came from China last year, Mexico only exported $5.7 billion — 1.5% — to China.¶ "The bottom line is everybody is looking for export markets," said Chapman University economist Esmael Adibi, director of the A. Gary Anderson Center for Economic Research in Orange, Calif. "They're asking, 'Where are the markets that are not fully utilized?' and they're putting their efforts there."¶ Last year, China eclipsed the United States to become the world's biggest trading nation, as measured by total exports and imports of goods (excluding services), according to figures both countries released earlier this year.¶ Chinese exports and imports reached $3.87 trillion last year, the Chinese customs administration reported. The U.S. exports and imports combined for $3.82 trillion in 2012, the Commerce Department said.¶ China's latest efforts to boost export markets in places such as Latin America and Africa don't surprise Wes Ahlgren, chief operating officer for the Coachella Valley Economic Partnership in Palm Springs, Calif. Ahlgren has traveled to China and Europe on trade missions to promote this area's renewable energy and clean technology opportunities.¶ During a recent conference call with U.S. state, trade and commerce officials who were in Africa at the time, Ahlgren said it was clear China has already made substantial investments in Latin America and Africa, and China continues to look for markets, resources and ways to expand its influence.¶ "Similarly, the U.S. foreign policy includes a large component of economic development, foreign military sales, direct investment, support for NGOs (non-government organizations), etc.," Ahlgren said. "Perhaps they are taking a page from our playbook and modeling it to their own vision."¶ At a time when the USA is under financial pressure and has had to cut aid internationally, China is opening its wallet.¶ "Because (China) is so rich with foreign currency and surplus, they are willing to make direct investments in these countries to improve their ties," Adibi said. "Whereas we have budgetary constraints."

### Link UQ – US Strategy Failing/China Fill-In

#### Unique link – Failure of current US economic strategy will surrender influence to China

Gallagher 6/18/13 – associate professor of international relations at Boston University (Kevin P, “Time for a U.S. Pivot to Latin America”, <http://www.theglobalist.com/storyid.aspx?storyid=10035>, CMR)

For too long, the United States has relied on a rather imperial mechanism — just telling Latin America what it needs. Compare that to China's approach: It offers Latin America what it wants (in the form of financing and trade from China).¶ When President Obama took office, he and his team pledged to hit the reset button with the region and rethink its trade regime with Latin America. It hasn't worked out that way.¶ Thus far, "reset" has essentially meant making the same old offer, but via new faces.¶ In addition, too much of the interaction with regional governments has been on such efforts as concentrating on drug interdiction purposes.¶ Those countries rightfully don't see that as much of a growth-enhancing development approach, but rather as a foreign-based, defensive mechanism to protect the U.S. homeland.¶ Given all that, it is high time for the U.S. government to undertake a true rethink of its economic policy toward Latin America. Very soon, it may be too late.

### Internal – Competition = War

#### US-China competition for influence in Latin America causes war

Hilton 13 - London-based writer and broadcaster (Isabel, “China in Latin America: Hegemonic challenge?”, Feb 13, <http://www.peacebuilding.no/var/ezflow_site/storage/original/application/26ff1a0cc3c0b6d5692c8afbc054aad9.pdf>, CMR)

China’s presence in Latin America is unlikely to diminish and will continue to affect its regional partners for the ¶ foreseeable future. Although this undoubtedly entails a ¶ loss of U.S. influence in the region, both China and the U.S. ¶ have so far sought cooperation rather than confrontation. ¶ In the context of the Obama administration’s “pivot” to Asia, however, and the latent, long-term strategic competition ¶ between China and the United States, there is potential ¶ for increasing competition for influence in the future. An ¶ escalation of tensions between China and U.S. allies in the ¶ South China or East China Sea could prompt China to raise ¶ retaliatory tensions in the U.S. backyard. At that point, ¶ the traditional Latin American allies of the U.S. could face ¶ some uncomfortable choices.

#### US-China competition for influence risks open confrontation and a new Cold War

Cerna 11 – graduate student in International Policy Management at Kennesaw State University, Kennesaw, GA (Michael, “China’s Growing Presence,” 4/15, <http://www.chinacenter.net/chinas-growing-presence-in-latin-america-implications-for-u-s-and-chinese-presence-in-the-region/>, CMR)

As it stands, the Chinese are not broadening their relations with the region in a way that directly competes with the United States. China is strictly concerned with commodities, including oil. U.S. President Barack Obama recently signed an agreement with Brazil’s Petrobras that will allow the oil company to drill in the Gulf of Mexico. This symbolic move could cause tensions to increase as the world’s two largest oil consumers battle over rights to Brazilian oil. In that regard, the competition may go beyond a race to Latin commodities and move into the realm of fighting for political influence. It is odd to think that the United States would need to compete for hemispheric dominance with a country on the other side of the globe, but China’s actions and increasing integration into the region tell us that such a scenario may one day arise. Given the proximity and importance of Latin America to the United States, this region could be the symbolic battle that best measures the continued hegemony of the U.S. versus China.¶ With both the U.S. and China jockeying for influence in a world where political power relations are changing, Latin America has the most to gain. The primary concern for the region is that it does not become a battle ground for a neo-Cold War between China and the U.S. Brazil already has clearly stated its concerns regarding Chinese influence. Yet, despite this tension, Brazil is now too reliant on China to turn away from the path on which Lula set the country. Agricultural exports to China are crucial to Brazil’s economy. Lula’s Brazil supported China politically and made clear moves away from the United States. Now Rouseff’s administration has welcomed Barack Obama with open arms. With all three major actors going through stages that could influence the global economic and political landscape – China implementing its 12th five-year plan, Brazil cementing itself as a prominent world player and the U.S. still recovering from a terrible financial crisis – this dynamic relationship is one that deserves close attention from all those concerned with the future of China-U.S. relations. Where Brazil and the rest of Latin America were once looking for an alternative to U.S. influence and found China, the region may now be looking to the U.S. to strike a balance with growing Chinese influence. With the global ambitions of Latin America, namely Brazil, it is essential to maintain close ties with both the United States and China. The world will be watching.

### Impact – Probability 2NC

#### Probability – Chinese regional strategy maximizes the risk of conflict

Shehadey 6/5/13 (Brett, “China’s reverse imperialism – West contains China’s East, China moves West”, <http://chinadailymail.com/2013/06/05/chinas-reverse-imperialism-west-contains-chinas-east-china-moves-west/>, CMR)

The US still has not learned that China does not move in a linear, predictable, pattern. As the US and its allies gain geopolitical ground in the Pacific and power balancing shapes a semi-circle in China’s East, China projects its influence out West. Critics may call it reverse imperialism.¶ This is not just a “backdoor” strategy where China is scavenging around for whatever it can, which was the thinking for a time. In the ancient Chinese game of “Go” (Chinese: weiqi, “encircle [the] piece”) the idea is to surround your opponent’s pieces where possible and maximise territorial gain indirectly.¶ Beijing’s adaptable fallback strategy is second nature to senior political and military leaders. They plan to trade the Pacific theatre for Western US territories – at least until such time as the US can be weakened in the Pacific and confused in many of the other regions it is critically invested into presently.¶ Specifically, China seeks out territorial advantages and strategic vulnerabilities of its greatest rivals. They have exponentially increased penetration deeper into the West, both as a natural course and as an overarching strategy.¶ In total, China is projecting soft national power through Central Asia, Europe, Africa and Latin America; maximising all political-economic methods, replacing US strongholds in political dealings; creating new commercial partnerships with their own bilateral global power swaps and newly formed influential bases of operation.

### DA Turns Solvency

#### Turns case – China will undermine US strategy

Ellis 6/6/13 – associate professor with the William J. Perry Center for Hemispheric Defense Studies (R Evan, “China's New Backyard”, <http://www.foreignpolicy.com/articles/2013/06/06/china_s_new_backyard_latin_america?page=full>, CMR)

The challenges arising from China's global engagement should not, however, be confused with the struggle between the United States and the Soviet Union that characterized the Cold War, in which each side actively promoted different, competing concepts for a global order. China does not seek to impose a new ideology on the world, yet the mercantilist way in which it promotes its economic development, combined with its lack of commitment to international norms that it didn't create, makes it more difficult for the United States to conduct business and pursue policy goals in Latin America and other parts of the world.

### DA Turns Case/Harms

#### Containment backfires – causes US-China conflict and warming, disease, cyber-terror, and prolif – it’s unique because the US is pursuing a cooperative strategy in the SQUO

Nye ’13 – god of soft power, professor at the Harvard Kennedy School and a former Pentagon official (Joseph, “Work With China, Don’t Contain It”, <http://www.nytimes.com/2013/01/26/opinion/work-with-china-dont-contain-it.html?_r=0>, CMR)

CITING an escalating dispute over islands in the East China Sea, The Economist warned last week that “China and Japan are sliding toward war.” That assessment may be too alarmist, but the tensions have bolstered the efforts of some American analysts who have urged a policy to “contain” China.¶ During a recent visit to China, I was struck by how many Chinese officials believe such a policy is already in place and is the central purpose of President Obama’s “pivot” toward Asia. “The pivot is a very stupid choice,” Jin Canrong, a professor of international relations, declared publicly. “The United States has achieved nothing and only annoyed China. China can’t be contained,” he added.¶ Containment was designed for a different era, and it is not what the United States is, or should be, attempting now. At the start of the cold war, containment meant economic isolation of the Soviets and regional alliances like NATO to deter Moscow’s military expansion. Later, to the chagrin of George F. Kennan, the father of containment, the doctrine led to the “domino effect” theory behind the escalation of the Vietnam War.¶ Cold war containment involved virtually no trade and little social contact. But China now is not what the Soviet Union was then. It is not seeking global hegemony, and the United States not only has an immense trade with China but also huge exchanges of students and tourists.¶ When I worked on the Pentagon’s East Asia strategy in 1994, during the Clinton administration, we rejected the idea of containment for two reasons. If we treated China as an enemy, we were guaranteeing a future enemy. If we treated China as a friend, we kept open the possibility of a more peaceful future.¶ We devised a strategy of “integrate but hedge” — something like Ronald Reagan’s “trust but verify.” America supported China’s membership in the World Trade Organization and accepted Chinese goods and visitors. But a 1996 declaration reaffirmed that the postwar United States-Japan security treaty was the basis for a stable and prosperous East Asia. President Clinton also began to improve relations with India to counterbalance China’s rise.¶ This strategy has enjoyed bipartisan support. President George W. Bush continued to improve relations with India, while deepening economic ties with China. His deputy secretary of state, Robert B. Zoellick, made clear that America would accept the rise of China as a “responsible stakeholder.”¶ Mr. Obama’s “rebalancing” toward Asia involves moving naval resources to the Pacific, but also trade, human rights and diplomatic initiatives. As his national security adviser, Thomas E. Donilon, said in November, the American-Chinese relationship “has elements of both cooperation and competition.”¶ Asia is not a monolith, and its internal balance of power should be the key to our strategy. Japan, India, Vietnam and other countries do not want to be dominated by China, and thus welcome an American presence in the region. Unless China is able to attract allies by successfully developing its “soft power,” the rise in its “hard” military and economic power is likely to frighten its neighbors, who will coalesce to balance its power.¶ A significant American military and economic presence helps to maintain the Asian balance of power and shape an environment that provides incentives for China to cooperate. After the 2008-9 financial crisis, some Chinese mistakenly believed that America was in permanent decline and that this presented new opportunities. A result was that China worsened its relations with Japan, India, South Korea, Vietnam and the Philippines — a misstep that confirmed that “only China can contain China.”¶ But America’s rebalancing toward Asia should not be aggressive. We should heed Mr. Kennan’s warning against overmilitarization and ensure that China doesn’t feel encircled or endangered. The world’s two largest economies have much to gain from cooperation on fighting climate change, pandemics, cyberterrorism and nuclear proliferation.¶ With China becoming more dependent on Middle Eastern energy, we should discuss maritime regulations to ensure free passage of ships and include China in Pacific naval exercises. We should help China develop domestic energy resources like shale gas and encourage China and Japan to revive their 2008 plan for joint undersea gas exploitation. And we should make clear that if China meets certain standards, it can join the negotiations over the Trans-Pacific Partnership, a proposed free-trade agreement around the Pacific Rim.¶ Containment is simply not a relevant policy tool for dealing with a rising China. Power is the ability to obtain the outcomes one wants, and sometimes America’s power is greater when we act with others rather than merely over others.

## Critiques

### Neolib Link

#### The rhetoric of economic integration across North American borders externalize and naturalize market forces and limit alternative futures

Gilbert 05  
Emily Gilbert, University of Toronto, “The Inevitability of Integration? Neoliberal Discourse and the Proposals for a New North,” American Economic Space after September 11, Annals of the Association of American Geographers, 95(1), 2005, pp. 202–222

The terrorist attacks of 11 September 2001 had an immediate impact on Canada–U.S. relations. Whereas security¶ became foremost among U.S. concerns, Canada became preoccupied with ensuring that the newly fortified¶ border would not impede trade. Within days of the attacks, Canadian analysts argued that the only way to¶ guarantee open access to U.S. markets would be to negotiate some form of deeper North American economic¶ integration. Previous proposals for a North American Monetary Union were revived, while new initiatives such¶ as a customs union or a ‘‘strategic bargain’’ also emerged. These schemes were designed to forge a ‘‘new economic¶ space’’ in North America. Business think tanks and interest groups played a central role in pushing forward a¶ platform of deeper integration, but the ideas have also made their way into the policy platforms of the Canadian¶ federal government. This paper draws upon discourse analysis and theories of governmentality to interrogate the¶ rhetoric of inevitability that has underpinned these proposals. The fatalism has been justified by allusions to the¶ shifting North American geopolitical relations in the post-September 11 context and the fear and risk that have¶ prevailed since the terrorist attacks. It also, however, resonates more broadly with neoliberal and globalizing¶ narratives that externalize and naturalize market forces, and, therefore, limit alternative futures. More importantly,¶ the logic and language of inevitability have provided advocates of deeper integration with a strategic¶ manoeuvre to downplay concerns regarding the loss of political sovereignty and the transformations to statesociety¶ relationships that would result from the new North American economic space that is being imagined.

#### Ports of entry are the key nodes of neoliberal economic governance.

Heyman 2004  
Josiah McC. Heyman 2004, Department of Sociology and Anthropology, University of Texas at El Paso, Identities: Global Studies in Culture and Power, 11: 303–327, 2004 Ports of Entry as Nodes in the World System

Ports of entry are viewed as nodes in the world system where people and commodities step up and down in value as they move across borders. To understand how this happens, this article examines, in an ethnographic fashion, the interplay of inspectors and crossing populations in United States land ports with Mexico. It focuses on the categorization of commodities as legitimate or illegitimate and the movements of people in class, nationality, and gender-differentiated roles as laborers, shoppers, tourists, managers, and smugglers. It briefly surveys the Mexican-side ports with the United States and then explores new objects of regulation and systems of surveillance, such as intellectual property and national security. The ethnography not only reveals trends in the governance of international flows, but also helps us to understand the social–political construction of value and the continuing role of borders in demarcating and enforcing global inequalities in an era supposedly marked by free trade and transnational movement. Differential access to mobility and incomplete but forceful efforts at enclosure are thus shown to be crucial to the reproduction and remaking of combined and unequal spatial (world systemic) relations.